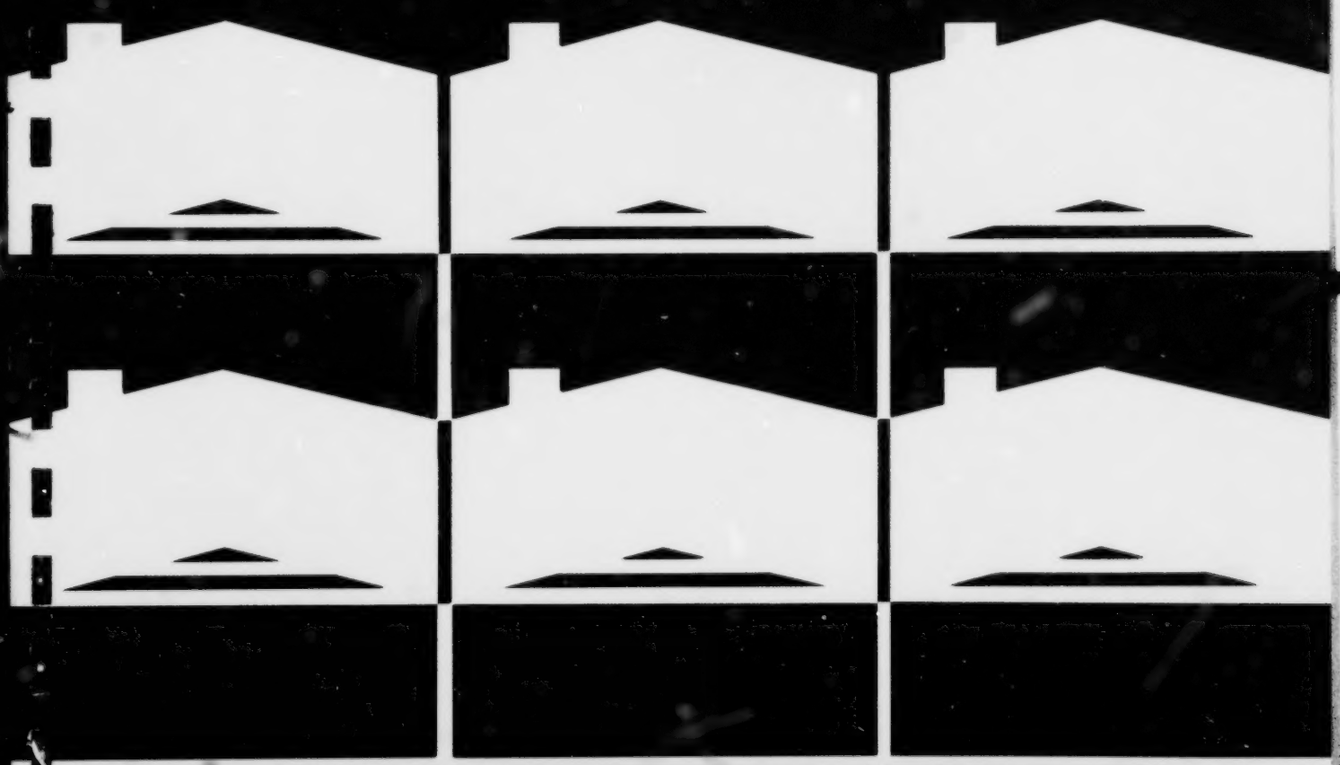
Gouvernement du Québec
Ministère de l'Habitation et de
la Protection du consommateur

**Direction de la planification
et de la coordination des politiques**



HOUSING FOR QUEBECERS

The Situation Today

A Challenge for the Future

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FOREWORD

Proper housing is just as much of a necessity as food and clothing, particularly in our climate. It is therefore the duty of the State to see that all Quebecers are able to find comfortable dwellings at affordable prices, that is to say, prices that allow them to satisfy other essential needs.

Generally speaking, in Québec most people are self-reliant in the matter of acquiring comfortable homes. The market and non-profit private cooperatives or associations are usually able to meet the demand, sometimes with government support.

Although there are housing problems in Québec, they need notbe regarded as excessive. In a recent survey, 86 percent of the households questioned said they were satisfied with their present accommodation and some even expressed great satisfaction. Owners were more content than tenants.

Nevertheless, certain groups have special problems, sometimes acute. Financial accessibility, assessed by the proportion of the income devoted to housing, is the number one problem, particularly for low-income families; other problems relate to the quality of dwellings; and occasionally there is a problem of adequate space. Cases in which there are two or three different types of problems of course require priority consideration.

The goal of the recently established ministère de l'Habitation et de la Protection du consommateur is to obtain an overall picture of the housing situation in the mid-1980s in order to pinpoint the trouble spots, and then to indicate what it intends to do andhow it will go about doing it.

This will not be the first time Québec has shown its concern for difficulties in the housing sector, for the 1970s marked a turning point in our history in this regard; the first half produced a multitude of studies and reports on the subject and the second, from 1976 on, an abundance of practical measures and programs.

The years prior to that period were not entirely unproductive in this respect in Québec; towards the end of the 1940s a form of rent control was instituted, as well as a program to help families acquire homes. But most of the action during this period was taken by the federal government which, by using the powers and revenue sources arrogated for the war effort, subsequently extended its action to civil areas which belonged under provincial jurisdiction; one of these areas was housing.

One would have thought that the creation of the Société d'habitation du Québec in 1967 meant the Québec government was about to take charge of housing

matters within its own boundaries. But such was not the case, for the SHQ acted merely as a means of channeling programs from the CMHC; it even made financial contributions to these programs in the name of Québec or its municipalities, but without any power to influence them or ensure that they met the real needs and priorities of Quebecers.

In the first half of the 1970s, Québec bent its efforts towards obtaining an overall picture of housing problems and seeking the most appropriate means for solving them. Four study mandates were assigned by the government of the day: an inquiry into phenomena connected with urban development (Castonguay report); inquiries into the more specific question of housing (CPDQ report and Legault report); the fourth report was the work of Lucien Saulnier, who was asked by the government for his opinion on the matter and in particular on the report of the Groupe de travail sur l'habitation headed by Guy Legault.

However, it was in the second half of the decade that the Québec government moved into action by adopting a series of measures and programs: a considerable increase in the public housing stock (LRH), and implementation of assistance programs for housing cooperatives (LOGIPOP), housing allowances for the elderly (LOGIRENTE), residential restoration (LOGINOVE and ÉQUERRE), and home ownership (HOAP and CORVÉE-HABITATION).

In addition, there were measures intended for specific clienteles: speeding up construction of reception centres for the elderly, adoption of standards and financial aid for adapting dwellings for the physically handicapped, and a program of housing construction and restoration for the Inuit population in the North.

Finally, the revision of the act governing relations between landlords and tenants, the reform of municipal taxation and introduction of the universal property tax credit program (PTC), the adoption of a single building code for the whole of Québec, granting municipalities extended powers respecting property reserves and housing, and creation of a Québec department for housing and consumer protection were all factors that were to substantially change the analyses that could be made of the housing situation barely ten years ago.

It is clear then that appraising the situation in the 1980s is becoming an increasingly complex operation; it presupposes, because of the State's commitment since 1976, that we are capable of self-criticism, of evaluating and changing programs we ourselves have introduced as the need arises. It is nonetheless essential, particularly since the situation in the housing sector has changed appreciably over the past decade, and at an unprecedented rate, following or concurrently with action taken by the government.

For example, the demand for new dwellings suddenly slowed down following a drop in the rate at which family households were being set up first of all, then non-family households, which during the 1970s alone had increased five times more rapidly than the population. Agricultural zoning was effective in checking urban spread and a certain return to the city became apparent, accompanied by a new interest in conversion and restoration. One important fact is that the majority of Quebecers are now home owners. On the other hand, the average income of tenants has dropped, relatively speaking, since the wealthier citizens have become owners. But the emergence of an increasingly important non-profit public sector and diversification of modes of occupancy have had the effect of partial compensation. The concern to conserve energy has changed consumer habits. Inflated interest rates since 1981-1982 have almost brought the construction industry to a halt and have made necessary concerted action by all parties involved in the form of a veritable "bee". This same climate of turbulence has undoubtedly brought about a change of attitude among buyers with regard to mortgage loans and has helped some of them find investment areas other than real estate for their savings. The aging of the population with its resulting loss of autonomy, the reduction in the size of households, the breakdown of the nuclear family following that of the extended family, an increase in housing costs surpassing that in income for some households, especially single-parent families, and the unemployment rate - all of them factors that cannot fail to affect the manner in which housing conditions evolve.

However, at the same time, the field has changed: more and more municipalities are taking an interest; employers, unions, financial institutions and building professional are speaking out and acting; a number of owners' and tenants' associations have appeared. The result is that the thought given to the matter by the ministère de l'Habitation et de la Protection du consommateur since its beginnings -- which could easily have become an academic exercise -- has produced, through continuous consultation with people in the field about the design and inplementation of the HOAP, LOGINOVE and CORVÉE-HABITATION programs and informal discussions with some sixty interested associations, a summary which we feel is relevant to the diverse and constantly changing realm of housing in today's world.

The recent creation of ÉQUERRE, a Québec program to encourage residential restoration, which after four months of operation had received applications for help in restorating close to 23 000 dwellings, is evidence of the government's willingness to meet the expectations of Québec households.

This document is based on empirical research, on inquiries and opinion polls conducted both inside and outside the department, and on statistics from the 1981 census and other sources, which were carefully selected and analyzed. By proceeding in this way we feel we have succeeded in compiling an unprecedented amount of recent, accurate, valid information on housing in

Québec, for we were not content with the usual minimum perusal of reference material required to take a position.

We should therefore have no difficulty, when the time comes to make plans for the future, in adjusting to the reality of the situation as set forth in this document. It will only remain to set up the discussions desired by many, in order to come to an agreement on proposed objectives and the direction to be taken, the means of action suggested and the route to be followed. If we succeed in this, it will then be time -- and not before -- to state formally that the government and the agents involved have agreed on a housing strategy that could, with complete justification, be given the official title of "housing policy".

But there are four other points that must be made. First, the absence of such a policy has so far not prevented us from carrying out certain measures or preparing programs that have helped hundreds of thousands of Québec households; it is therefore important not to expect a policy to settle all problems, or to settle them as soon as it is adopted. A policy should rather present a vision of the future; firmly based on the realities of today, it should seek out the best ways of attaining the goals to be reached, given the means society has at its disposal.

Second, we must not expect the government alone, through such a policy, to solve all of the problems besetting housing. It is a great mistake to think in this way, for the consequences of such a policy would be disastrous for public finances and for the type of society we want to build. With some exceptions, it is not up to the State to furnish citizens with lodging. To those who do not have the means to house themselves properly it is better to offer help of a kind that will enable them to be responsible for themselves. Moreover, the government is not the only active agent in the housing sector, and several persistent problems could best be permanently solved if other agents were to become active in the field by investing their money, time or ideas. In this respect the success of CORVÉE-HABITATION shows that effective solutions in the future must result from the combined efforts of all public and private agents, and not of the bureaucratic appartus alone.

Third, at a time when economic prospects and the public finances demand that we make the most of every public penny, we cannot expect the government to spend still more on housing on the basis of such a policy. Québec's financial commitments have grown at a very rapid rate in this area over the past few years. It is not at all clear that what is needed is greater expenditure to relieve the most acute problems and at the same time stimulate economic activity in this sector. That these objectives can be just as efficiently reached by being more selective with regard to clientele and supported activities there is little doubt. It is also interesting to note that households apparently needing aid of one kind or another could be helped

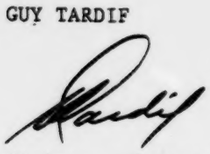
by a reorganization of existing programs. In the present economic and financial situation, the first aim of a housing policy must therefore be the rationalization and optimization of existing programs and, without repudiating the major objectives of social democracy, giving help not universally but selectively to those who need it most.

Fourth, a housing policy is necessarily part of anadministrative, political and demographic framework. On the administrative plane, it is important to see that the orientation suggested in this work is harmoniously integrated with other measures now being introduced by the Québec government in the areas of the family, income security on retirement and taxation. Politically, the underlying philosophy of this work is part of a global view of Québec society and is not dependent on the constitutional framework or the governments now in power. Finally, housing is closely tied to demographic change. All estimates of the number of housing starts, the health of the construction industry, and the evolvement of employment in the sector are based on present demographic trends. It would of course be necessary to review these estimates if Québec were to adopt a more open immigration policy.

In brief, what we can expect from this summary and the official discussions that will follow is the laying of a foundation for permanent dialogue among the various agents in the field, for a responsible approach in the housing sector, and for public action that is more effective, better adapted to diverse local situations and needs, better coordinated with the activities of the sector it is called upon to support and not to quell, and, we hope, better integrated with Québec's other major policies.

Improvement in housing conditions can only come from a combined effort. In the same spirit as that which guided CORVÉE-HABITATION, I take pleasure in presenting this document for the attention of all those working in the housing sector, so that during the coming months we shall be able, together, to determine the best possible conditions for the assumption of responsibility by the people of Québec for their own housing conditions, as well as for a sound knowledge and control over the housing sector by the Québec government. What is necessary is not to find out how to house Quebecers, but how they can be enabled to house themselves.

GUY TARDIF



Minister of Housing and
Consumer Protection

INTRODUCTION

HOUSING IN PERSPECTIVE

Apart from its esential nature, our dwelling is the centre around which we build our lives. It is of prime importance to society, in terms of individual well-being, regional planning and economic activity, and is also significant by reason of the portion of the budget devoted to it.

First, because of its basic nature, housing is of interest to everyone. Those involved with it are many, the activities it generates are multiple, and its effects on economic and social life are diverse. It commands special practices by which large groups of citizens live. Its aspects are interdependent in varying degrees. To act in the housing field is a little like handling the Rubik cube: while attempting to harmonize this or that facet, at every instant it is necessary to consider the effects of the operation on the whole object.

Before examining where we are with regard to housing, and asking ourselves where we want to go as a community, it is important to determine the main aspects.

The dwelling as a basic source of well-being

The dwelling is a basic source of well-being for all citizens, whatever their manner of living together. The quality of the dwelling contributes to the quality of life in general. From the point of view of the user, which means all of us, the dwelling place is at one and the same time indispensable and durable, a substantial part of the budget and the backdrop to personal and family life.

Something which is indispensable

In our climatic conditions, no one can go long without a roof over his head. From the strict point of view of shelter then, a dwelling seems to be indispensable. We are forced to make minimum use of one for the sake of our health and safety.

Given this necessity, it is up to the State to see that each person is able to procure a suitable dwelling. But what is convenient is the result of social consensus and changes with time; the minimal quantitative and qualitative characteristics of a suitable dwelling are greater than they were several decades ago, even if this may be true only of sanitary facilities.

The indispensable nature of the dwelling and the minimal use made of it constitute the basis of government action in the housing sector. Beyond these

minimum requirements, access to housing will always remain a matter of opportunity and personal choice, which is also true of other current consumer goods.

Something which lasts

Once erected the residential building remains a feature of the urban landscape for a long time. Its life often exceeds its expected duration at the time of construction. It will alter in accordance with its initial quality, the use made of it and the manner in which it is maintained. It can, of course, deteriorate or be altered, but it is not uncommon to see its shell resist more than a century of the assaults of weather.

This durable character determines the terms and conditions of acquisition, particularly financing. But it does not necessarily follow that households choose a home for life. On the contrary, in the rental sector, especially, dwellings have a succession of occupants often from different socio-economic backgrounds.

A substantial portion of the budget

As in the rest of North America, in Québec most dwellings are found on the open market. Apart from the intrinsic quality of the accommodation, its price will depend on the complex interplay of supply and demand factors in each community. This price is an important item in household budgets and is often the largest.

Obtaining a suitable dwelling means for some low-income households having to cut back on other essentials; it is therefore important that such a situation affect as few households as possible.

Backdrop to personal and family life

The dwelling, the living area, is the setting for daily life. Most people spend about half their time there, and some, especially children and the elderly, a good deal more than half. The number and layout of the rooms determine how each member of the household carries on his activities. The inside arrangements -- furnishings and decoration -- are a means of allowing each person to create an ambiance corresponding to his tastes, his means and his ingenuity.

It must be recognized that the art of living in the home is exclusively a private concern, and the State should not interfere. It is sufficient that it oversee the safety of structural elements and mechanical and electrical equipment, while encouraging research and innovation in products that could be conducive to individual expression in the home.

The dwelling as a setting for people is also affected by its position in relation to services and activity centres; the time devoted to travelling to and from work, recreation and shopping depends on it. The quality of the dwelling is also closely tied to the quality of the surroundings.

Housing as main component in development and local life

Planning as the spatial organization of human settlements concerns above all the manner in which we live in general. Town planning practices centred on the functional use of space have had the effect of isolating the dwelling, even though housing is the main component of the urban landscape and cannot be dissociated from the other components.

Component of the urban landscape

The residential function takes up the largest portion of urban areas; in Québec, the principal centres give over 55% of available space to this function. In certain suburbs this function is predominant, if not exclusive. Residential zones vary in appearance from one municipality to another, particularly in large centres. Sometimes made up of single-family homes, sometimes of a mixture including larger structures, these zones have varying degrees of density and diverse architectural styles.

Although the general outlines respecting the orientation of residential development are in part determined in advance in municipal development plans, the residential landscape is not laid down, not ordered, but grows little by little over a long period, according to construction and the residential property market.

One function among others

Housing is closely tied to other components of a centre with regard to the space each occupies. All comprehensive planning must therefore be carefully examined in terms of its effects on housing. Conversely, the location of new residential allotments must be studied in relation to its effects on the centre as a whole. The choice of location and population density depend on existing transport routes but, over the long term, determine the way in which transportation is organized and its public and private costs. Specific choices of residential zones in accordance with overall plans affect the quality of the residential environment and have considerable impact on global housing costs.

During the period of intensive urban and residential growth in the past few decades, residential allotments were often laid out without regard for the interdependence of components or the effects of their location. However, a change of attitude has been apparent for some years; agricultural zoning,

which put a stop to ill-considered spatial expansion, is evidence of this. The new institutional context resulting from the Act respecting land use planning and development has given rise to more awareness of the interdependence of the components of a habitat. The rising cost of energy and its effects on travelling costs have also increased awareness in this matter.

A major component of our heritage

Our dwelling reflects what we are. The buildings we erect become part of our heritage, and are a reflection of our tastes, our ingenuity, and our esthetic sensibilities. Among the properties and sites designated as of cultural interest by the ministère des Affaires culturelles, dwellings come in the front rank.

For example, in many Québec cities, neighbourhoods of duplexes and triplexes offer a housing solution specific to North America. The dwelling is an identification factor both individually and collectively. The more we have to accommodate ourselves to the housing we now have, the greater the effort that will be required of future generations to make do with what we build and the habitats we create.

Reality rooted in local history

Housing is related to the local socio-economic and cultural situation; it is one of its manifestations. When the local economic situation is poor, for example, there will be indications of deterioration and even abandonment, as in the case of many mining towns. On the other hand, periods of prosperity result in housing improvement or sustained expansion. Dwellings are therefore primarily an expression of local situations, and part of highly differentiated local markets.

Basic, own-source revenue for municipalities

Housing is an important aspect of municipal life, and is often the subject of study and decision-making in town planning. It also furnishes a large part of own-source revenue of municipalities through the property tax. Total property assessment in Québec is over $94 billion, 61.5% ($58 billion) of which comes from the residential sector. Since the municipal taxation reform of 1979, municipalities have been increasingly preoccupied with what homes represent in terms of tax revenue.

Housing as a field of economic activity

When we speak of housing as a field of economic activity, what immediately comes to mind is the use of residential construction as a means of economic recovery and job creation. However, the direct impact of housing goes beyond

construction, restoration and renovation; it encompasses such activities as the management and operation of the housing stock, financing residential transactions, management of the mortgage portfolio and, indirectly, the furniture and household articles industries. The position of housing in economic life is therefore manifested by its contribution to the gross domestic product, its contribution to employment and, in very pronounced fashion, by the role it plays in the assets of financial institutions.

Investments and jobs

During the last decade the value of residential construction has been, on average, four billion of today's dollars annually, or 32% of the total value of construction in Québec; this work has occupied 45 000 construction workers. Total goods and services produced in the residential construction sector have varied between 2% and 4% of the gross domestic product, depending on the year. What is special about this field of economic activity is that construction and, especially, repairs carried out by owners occupy a very important place. But although this does not entail direct employment, it nonetheless requires the purchase of materials, by no means a negligible factor.

Moreover, proper operation of the housing sector requires a large network of diversified services requiring manpower and skilled personnel. For example, mortgage financing and administration of the mortgage portfolio employ some 1 600 persons throughout Québec. Residential property transactions figure among the principal activities of Québec's 2 700 notaries. The sale of residential buildings is the main activity of about 6 300 real estate agents and brokers. At least 300 architects work mainly in the construction, repair and renovation of residential buildings. Housing is also an important part of the work of engineers, surveyors and appraisers.

Finally, various industries that produce consumer goods connected with residential services can be associated with the housing sector as such; these are, notably, the furniture and electrical appliances industries, representing 11 000 and 13 000 jobs respectively in Québec annually.

Cash flow and mortgage financing

The relative importance of housing is even greater in cash flow than in employment and gross domestic product. At the end of 1981, the value of residential mortgage loans in the process of being repaid was a little more than $20 billion in Québec; 30% was held by savings and credit unions, a preponderance unique in Canada.

In the 1970s the value of mortgage loans being repaid quadrupled as a result of the rise in the cost of houses, the increase in the housing stock and, less important, the purchase of other consumer goods financed by loans secured by a mortgage. The total of these mortgage loans represented close to a quarter of the assets of financial institutions.

A method of personal saving and investment

In addition to being a commodity, a dwelling represents a particular mode of saving for the owner. Savings are progressively accumulated by repayment of the capital borrowed and by the real increase in the value of the property. In 1977, the savings of a Québec owner invested in the property in which he lived averaged $22 000.

Ownership of small rental buildings such as duplexes and triplexes also provides a modest income and the means of accumulating capital; at the same time it furnishes the owner with low-cost housing if he lives on the premises. The rental sector also offers opportunities for investors, who see it as a sure way of increasing their assets.

In brief, close to 55 000 jobs annually, quite apart from the 25 000 jobs in the movable property sector, assets exceeding $50 billion, annual rents of about $4 billion, expenses incurred by owners of over $5 billion, all of these are part and parcel of of the residential property sector, for a roof over one's head, a landscape, a setting for personal and social life -- housing in a nutshell.

PART ONE

The Housing Situation in Québec

Chapter I

Housing Stock and
Conditions of Supply

Chapter II

The Household

Chapter III

Action by Public Authorities

Chapter IV

General Summary and Prospects

CHAPTER I

HOUSING STOCK AND CONDITIONS OF SUPPLY

Are we well or poorly housed? Do we have an efficient residential property industry? For whom is housing a problem? What are the shortcomings and the achievements of the housing programs so far created? These are some of the main questions which will guide our diagnosis of the present situation.

We shall first recall a few facts about the main characteristics of the housing stock and how it changes before going on to discuss the operation of the sectors involved in supply, i.e. the construction industry, rental investment and mortgage financing.

Housing Stock

A general picture

In June 1981, the principal residence stock consisted of 2 173 000 occupied private dwellings and 107 000 unoccupied private dwellings, a total of close to 2 300 000. The census showed that the overall vacancy rate was 4.7% for all of Québec for all types of housing.

CMHC data on the vacancy rate covered four large centres, Montréal, Québec City, Hull and Chicoutimi, and showed rates of 1.9%, 1.8%, 2.3% and 1.3% respectively for 1981; in 1983 these respective rates were 3.2%, 5.2%, 0.7% and 2.3%.

It should be remembered that the semi-annual data of the CMHC concern only multi-family rental buildings with six or more dwelling units. Wherever there are few buildings with more than six units, in the Chicoutimi-Jonquière area for example, thevacancy rates indicated by these data are lower than they actually are.

Given this underestimation, it cannot be concluded that, generally speaking, there is a shortage of housing in Québec, if it is felt that a vacancy rate of 3% is acceptable, even necessary to good market operation.

However, in some centres and for certain secondary markets, vacancy rates have on occasion touched levels both higher and lower than the accepted norm.

In the large centres mentioned above, for example, vacancy rates have fluctuated considerably since 1971. In Montréal, the rate went from a low of 1.2% in 1974 to a high of 5.5% in 1978. In the Québec City metropolitain region, it dropped to 0.7% in 1976 and reached 5.2% in 1983. In Hull, as shown in Table 30 the vacancy rate remained at a fairly high level between 1971 and 1980 but dropped to 0.5% in 1982.

In addition, the vacancy rate varies with the size of the dwelling unit. Small dwellings (one-bedroom and bachelor apartments) have the highest rates, and larger ones (three bedrooms) the lowest.

To the principal residence stock must be added close to 6 000 collective-type dwellings such as religious institutions, rooming houses and reception centres.

Québec also has a secondary residence stock estimated at about 177 000 in 1982. These dwelling units, which are used as temporary lodgings, can be changed into principal residences. The majority of owners of secondary homes also own a principal residence (about 57%). The average income of households possessing such residences in 1982 was close to $35 000, whereas the average for all family and non-family households was $25 000. We shall not deal further with the secondary residence stock, but shall concentrate exclusively on main residences.

In order to present the main characteristics of the stock, it would be wise to distinguish between two groups that differ in many respects: rental housing and owned housing. A building may be occupied by owner and tenant at the same time or successively, of course. This is often the case for small properties where each unit has its own entrance from the street and its own address. But so far buildings have usually had a single mode of occupancy. For

Table I
Changes in Québec's housing stock, by tenure 1971, 1976, 1981

Tenure	1971 thousands	%	1976 thousands	%	1981 thousands	%
Total	1 604	100,0	1 894	100,0	2 173	100,0
Ownership	761	47,4	954	50,4	1 157	53,3
. individual	761	47,4	950	50,2	1 144	52,6
. joint	-	-	4	0,2	13	0,6
Rental	843	52,6	940	49,6	1 015	46,7
. private	839	52,3	916	48,4	955	44,0
. LRH	4	0,2	20	1,1	40	1,8
. NPO	-	-	3	0,2	15	0,7
. cooperative	-	-	1	-	5	0,2

Sources: Statistics Canada
Ministère de l'Habitation et de la Protection du consommateur estimates for the NPO and cooperatives.

instance, the occupant of a single-family house is usually the owner, whereas the small, brick and wood three-storey building is most often inhabited by tenants.

With regard to mode of occupancy, two phenomena marked the evolution in the housing stock in Québec during the past decade. First, it was during this period that home owners took the ascendancy over tenants, and there is good reason to believe that this trend continued in 1982 and 1983. Second, during this period, especially after 1976, a diversification of type of ownership and rental occurred. Co-owned property, low-rental housing (LRH), homes managed by non-profit organizations and cooperatives extended the list of modes of occupancy beyond the two that had characterized the situation since 1971: individual ownership and private rental.

Rental stock

In 1981, the rental stock numbered 1 015 000 occupied dwellings.

Type of building

The great majority of dwelling units are to be found in buildings of fewer than five storeys; 70% of these are in properties with two to five units, each with a separate entrance, and buildings with a common entrance, while 9% are found in separate, single-family houses (see Table 1).

Small buildings occupy an important place in the housing stock. In the Montréal urban community, for example, 45% of rental housing is to found in duplexes and triplexes, 31% in buildings with 4 to 11 dwelling units and 24% in buildings with 12 units or more.

Québec differs from most other provinces with regard to the size of rental properties; medium-sized buildings are more in evidence than others. When comparing Montréal and Toronto, for example, we find that in the Montréal region 92 000 dwellings are located in high-rises compared with 306 000 in Toronto. Conversely, in Montréal there are 516 000 dwelling units in buildings of less than five storeys, not including single-family houses, compared with only 119 000 in Toronto (see tables 6 and 7).

Size

Generally speaking rental units are not large. In Québec as a whole, 65% of these have four rooms or less and only 12% have six rooms or more (see Table 2).

Age

A study of the age of rental housing shows that the stock is relatively new. One-quarter dates from before World War II and half were built after 1961 (see Table 3).

Spatial distribution

Since rental housing is essentially an urban phenomenon, it is in the city that we find the greatest concentrations. Metropolitain Montréal has the largest percentage of rental dwellings, 59%, and if we add the five other large centres -- Québec City, Chicoutimi-Jonquière, Hull, Trois-Rivières, Sherbrooks — the proportion rises to 76%. Québec's other urban municipalities account for 17%, while rural municipalities have only 7% (see Table 4).

Physical condition

Assessment of the physical quality of the housing stock is a complex operation, results varying widely depending on the method and criteria used. Age is far from being a valid criterion, for each component of a building has a different life span, depending on the upkeep. Maintenance is therefore the determining factor in the physical state of a building.

The opinions of occupants regarding required repairs is a criterion that is often used. Although some are more critical than others in assessing their homes, and the average rent of units that need major repairs varies little from that of units of the same size that are in good condition (see Table 11), this method gives useful results. According to the 1981 census, which used this method, 82 000 rental housing units, or 8% of the stock, needed major repairs. Tenants indicated major defects in mechanical and electrical equipment and in the structure: foundation, walls, floors and ceilings (see Table 5).

Rent

In 1981, the average gross rent, that is, rent including heating, electricity and taxes, was $262 a month in Québec and $303 in Ontario (see Table 8). Rent does of course depend on various factors, including the quality of the unit, its situation and its size. The average rent for a one-room apartment was $195 a month compared to $317 for units of seven rooms or more.

Owner-occupied housing stock

In 1981, owner-occupied housing numbered 1 157 000 inhabited dwellings.

Property type

Owner-occupied housing consist mainly of separate single-family homes. In 1981, three-quarters of owner-occupied dwellings were of this type. The proportion of owner-occupied homes in buildings of less than five storeys was 22%, especially in buildings with between two and five units. Mobile homes accounted for 3% of this type of dwelling. But there were few of this kind of home in larger buildings, an indication that co-ownership, particularly of high buildings, was still a marginal phenomenon (see Table 1).

Size

Owner-occupied homes are usually larger than rented homes, 62% have six or more rooms and only 9% have fewer than five (see Table 2).

Age

The movement to acquire property in the 1970s in Québec resulted in a rejuvenation of the owner-occupied housing stock; one-third of dwellings of this type date from this period, while only 22% of these homes were built prior to 1946 (see Table 3).

Spatial distribution

Owner-occupied property is less concentrated spatially than rental housing, for 30% of the stock is to be found in rural areas. Metropolitain Montréal accounts for 37%, and Chicoutimi-Jonquière, Hull, Québec City, Trois-Rivières and Sherbrooke together account for 17%.

Physical condition

The 1981 census indicated -- subject to the remarks made above with regard to assessment of condition -- that 84 000 owner-occupied dwellings were in need of major repairs. This number represents 7% of the accommodation in this category. (see Table 5).

Value

The average value of owner-occupied dwellings, as estimated in 1981 by their occupants, was $51 900. It was also estimated that one-quarter of owner-occupied properties had a value of less than $35 000, and that only 7% were worth more than $100 000. At the same time, in Ontario, the average of such homes was estimated at $78 200 (see tables 9 and 10).

We must now pass on from the principal characteristics of the housing stock to an examination of its evolvement.

Changes in the Housing Stock

A constantly increasing stock

During the past few years, the housing stock has steadily grown, while the annual rate of housing starts has varied. In the 1970s, new dwellings were built at a relatively stable rate up to 1978. During these years, the average number of dwellings completed was over 50 000 a year. Subsequently, after dropping steadily to reach a total of 23 492 in 1982, the number went up again in 1983 to about 40 318 new housing starts (see Table 12).

Although the annual rate of completion of new homes is only 2% to 3% of the housing stock, a portion of the stock undergoes change every year by subdivision, additions to residential buildings, conversion and sale of mobile homes, demolition and elimination because of fire or restoration. New construction is nevertheless the main source of additions to the housing stock; its share in the increase in the stock in the period 1971 to 1981 was 81%.

The sale of mobile homes went down steadily between 1973 and 1974, and now meets only 2% of new housing needs. Losses due to fire and demolition have now stabilized at about 2 500 to 3 000 homes a year, but at the beginning of the 1970s this number was close to 6 000 annually. The addition of new units to existing structures constitutes a sizable source of increase to the housing reserve; it amounts to an average of 14% (see Table 13).

Since the data presented here are calculated residually on the basis of census statistics, these figures on net additions must be interpreted with caution. However, it is clear that subdividing large dwellings, adding a small unit in the basement of a single-family house, transforming non-residential buildings into dwelling units and summer homes into residences are changes that many carried out in the last decade with a view to further supply or personal use.

Briefly, the increase in the housing stock between 1971 and 1978 was relatively constant, rising by 3% to 4% a year. There was quite a drop between 1978 and 1982, and a certain degree of recovery in 1983 (see Graph I).

We could say, for purposes of comparison, that the rate of increase and evolvement in the housing reserve was much the same for the whole of Canada (see Table 14).

Steadily improving housing stock

Since housing quality indicators are not too reliable, it is difficult to follow the qualitative evolvement of the housing stock. It does seem to improve steadily, however, as the following phenomena indicate.

First, the number of dwellings lacking adequate sanitary facilities has declined quickly over the past decades. There are now only 52 000 homes that lack a complete bathroom, compared with 240 000 in 1961. The same is true of heating: the proportion of homes with adequate heating systems rose from 56% to 88% in the 1961 to 1981 period (see Table 15).

Second, the costs of maintenance and repairs for Québec homes increased rapidly in the 1970s; even taking inflation into account they doubled in the 1971-1981 period, to reach $1.6 billion. Of this amount, $915 million went into regular upkeep and minor repairs, and major repairs and additions cost $660 million. The average outlay per year per dwelling was $700 (see Table 16). Given this substantial amount, it can be assumed not only that maintenance was of a high quality but also that there was a net improvement in the housing stock.

Repairs now account for close to half of the construction costs in the residential sector. This phenomenon can undoubtedly be attributed in part to the creation of assistance and restoration programs. But it is important to realize that even before these programs were implemented repairs had become a usual practice since they accounted for more than a quarter of construction costs as far back as 1971. Maintenance of the housing stock is essential to the dynamics of the market, and even though it has not been as highly subsidized as home owner assistance it is a sector that has a good record.

Residential Construction Industry

We shall now discuss the evolvement of the residential construction industry, its efficiency, supply difficults and its adaptation, renovation and restoration, a sector that is expanding.

The structure of the residential construction industry

The residential construction industry holds a special place in the construction industry as a whole. It is heterogeneous, but integration is slight, very unstable but competitive and efficient, with low capitalization.

Internal diversity

In 1981, there were about 18 000 contractors on the books of the Régie des entreprises de construction du Québec (RECQ); since one-third were general contractors in residential building, it is estimated that, at a minimum, a second third were specialized contractors working at least partly in the residential sector of new construction, renovation and repairs.

The field of activity, size and organization of firms are highly diversified. Although 80% of general contractors in the residential sector specialize in single-family houses, diversity is much greater among specialized contractors (electrical work,plumbing, foundations, roofing, painting, carpet laying, etc.) exercising their trade in all types of buildings.

The size of the firms varies according to volume of production; close to two-thirds of those registered in the guarantee program for new homes of the Association provinciale des constructeurs d'habitation du Québec build fewer than ten dwellings a year, 31% complete between 10 and 50, 4.6% between 50 and 100 and only 1.3% more than 100 homes a year (see Table 17).

The organization of these firms is also variable. Some contractors are both supervisor and worker. Others have small teams which plan, organize and supervise the work. Some have larger, more stable organizations which carry out a large part of the work, but even here the use of subcontractors by specialized contractors is the general rule.

Partial integration

Integration in the residential construction industry is slight. The different functions necessary to carrying out a project and upstream operations (holding land) and downstream operations (real estate operation) are often assumed by different persons or firms. However, some builders hold property reserves of varying sizes that exceed the annual requirements of their own projects. Others are also real estate operators. Very few are organized to deal with architectural design or techniques. But for many builders, particularly those working in the field of small residential buildings, these activities have traditionally been limited. As the Ordre des architectes observed in its Vers une politique de l'architecture, accommodation to the poverty of the urban landscape and low quality requirements does go on. However, for some time now there has been greater concern for design and more use of architects' services, even when they are not essential.

Low capitalization

Most residential buildings are completely built on the site. In 1981, 1 800 dwellings units, barely 5% of all construction, were manufactured in sections or modules. Prefabricated parts (trusses, doors, windows, kitchen cupboards) are certainly gradually being used on the work site, but the foundations and main walls are still being put up on the site for the most part.

Systematic subcontracting, the small size of residential buildings, and the use of traditional construction techniques requiring a larger labour force result in low capitalization for most firms. They need neither a great deal of capital nor much sophisticated equipment to operate.

Instability of firms

There is no major obstacle in the way of anyone who wishes to build houses except the obligation to obtain a licence from the RECQ. The level of capitalization is low, organizing the work is above all a matter of knowing how to coordinate it, and there are still many building lots available. Home construction has therefore been a favoured choice of those with an enterprising spirit, and it is not surprising to see new firms appearing every year and others folding.

For instance, in 1981, 420 new residential contractors registered with the central file of companies. In 1982, when domestic construction was at its lowest level, 308 new contractors were entered in the file. In the same two years, more than 4 000 new specialized contractors were registered. But a comparable number of firms disappear each year, so entries and departures result in a continual turnover in the industry.

Competition

It is clear that the construction industry continues to be extremely competitive, even though large contractors secure a large part of the market. In 1981, 4% of these firms each had a turnover of over $2 million, which represented 35% of the total value of residential construction in Québec. In the same year 59% of the firms had a turnover of less than $250 000, or 13% of all residential construction. Despite the fact that one or two contractors dominate the market in certain municipalities, there is less concentration in Québec than in Ontario, where 3% of the firms captured 57% of the total turnover in 1981 (see tables 18 and 19).

Total costs and the price of a new dwelling

The price of a new home is made up of components whose costs evolve differently: the land itself, and construction, which includes manpower, materials, financing, administration, legal matters, equipment, publicity and profits.

The cost of construction

In Québec, the cost of residential construction in 1981 can be broken down as follows: manpower 30%, materials 41% and other costs 29%. These proportions were much the same for the rest of Canada (see Table 20). This breakdown

varies according to the type of building, construction procedure and even work site. For small residential buildings, other costs seem to be smaller, given the lower general expenses the firms have to incur.

In the last decade there was a slightly larger increase in manpower costs in Québec than in Ontario. The manpower cost index in 1981 was 260 in Québec and 240 in Ontario, on the basis of 100 for 1971. In Québec, residential construction is governed by the same working conditions as commercial or industrial construction, which is not the case in Ontario; this would partly explain the more rapid increase in manpower costs. Construction workers obtained wages increases well beyond what is usual at the time of exceptional projects outside the residential sector such as the Olympic installations.

Some are concerned about this increase in manpower costs in Québec, particularly as a component of housing construction costs, and would like to see the domestic sector governed by different working conditions.

The rise in the cost of materials was similar in the two provinces: the cost index for materials in 1981 was 238 in Québec and 234 in Ontario (see Table 21).

The cost of land

In 1981, the cost of the land in Montréal represented an average of 13% of the average cost of a single-family house, while in Toronto it was 40%. In addition, because the average price of a single-family house was quite a bit lower in Montréal than in Toronto, the difference in absolute terms was even greater. For example, in the metropolitain region of Montréal the average price of the land was $7 000 compared with $35 000 in Toronto. In effect, this component is responsible for 80% of the difference in house prices in the two cities (see Table 22). Part of this difference is of course attributable to the inclusion of the cost of services in the price of the land in Ontario, nevertheless the rent on residential land is much greater in the Toronto region.

On the other hand, the average cost of land has been rising more rapidly in Québec than in Ontario since 1976. In addition to being very sensitive to general conditions on the housing market, land prices in urban areas may be affected by the demand for certain locations. But the differences in the level and increase of prices in Montréal and Toronto may be in large part explained by different land supply conditions.

Land supply

Contractors or individuals wishing to build find land on the market, and they must obtain it at the best possible price if the cost of the dwelling to

be built is to be reasonable. In the market situation, maintaining a reserve of land at a good price in large centres presupposes a relative abundance of servicedsites rather than a concentration of property. What must be avoided is a relative scarcity, whether for physical reasons (availability of space), economic reasons (concentration of property) or official reasons (zoning bylaws).

Availability

In the 1960s and again in the 1970s, Québec enjoyed a certain advantage over Ontario in this respect. Those wishing to build could obtain inexpensive land easily. There were several reasons for this. There was no real scarcity in the main centres, since development could extend in every direction because of, among other things, the highway network. The extraordinary potential for extending areas that could be built up excluded any possibility of a real concentration of building land, whatever the size of large properties. In Montréal, for example, at the end of the 1970s there was still talk of a potential of as much as 50 000 hectares. And this land was held by numerous economic agents with widely differing interests, which increased the free interplay of market forces since large numbers of agents are less likely to sell at the same time under the same conditions.

The municipalities themselves provided and financed services through general taxes or sectorial taxes, in this way reducing the capital requirements of builders wishing to acquire land. The State has helped municipalities by subsidizing the financing of services, particularly at the beginning of the 1970s. Also, the approval of plans respecting building lots and even the installation of services was so prompt compared with the situation in Ontario that the cost of holding on to land was low, so that even small firms were able to do this. However, this very flexible system of public control over development resulted in abuses in a competitive market situation, including the creation of certain residential communities in outlying areas.

Beginning in the second half of the 1970s Québec's advantage, although still pronounced, was starting to diminish. The land component of the new housing cost index, based on 100 in 1976, rose to 152 in Montréal and 221 in Québec City in 1982. The increase in Québec City was the most rapid of all metropolitain regions in Canada; in Toronto it rose to only 105 (see Table 23). This rapid change in Québec doubtless affected vacantland less than it did serviced land. It seemed to be caused primarily by the gradual inclusion of the cost of services in the price of the land, as was the case in Ontario. In fact, a number of municipalities in Québec changed their mode of financing services during this period. Instead of paying for them out of general or sectorial taxes, they began to bill builders a lump sum. Between 1976 and 1980, the proportion of municipalities that financed services entirely by means of taxes dropped from 75% to 50%.

It is evident that this change in financing caused land prices to rise more rapidly in Québec. But having the builders finance or install services also produces indirect effects which are apt to put inflationary pressures on land prices. This may cause a certain property concentration resulting in holding costs related to delays in approval.

Agricultural zoning

The more rapid rise in land prices for single-family houses in Québec does not seem to be connected with agricultural zoning. There is still a large amount of land for development outside of the farming zones. In Montréal, for example, it is estimated that there is an area of over 20 000 hectares still available for residential construction, sufficient for three decades at the present building rate. Within the zone available for development, a large number of lots could be serviced easily as they are on land adjacent to main water and sewer pipes. A survey made by the SHQ in 1982 shows that there are more than 70 000 lots on such land. This does not necessarily mean that all of these lots should figure in the supply of sites immediately available. In fact it is possible that some of this land covers old building lots that do not meet present municipal standards or that belong to people who have no intention of selling them in the near future.

Property concentration

Nor do these increased land prices seem to be attributable to the concentration of real property or the monopolistic powers of a few large owners. In the Montréal and Québec City areas the degree of property concentration is still low, although more pronounced in certain municipalities. Concentration could be strengthened if municipalities were to become too restrictive in approving new development zones. Fortunately, many of them are becoming more aware of the problems in the supply of land for development. In order to solve these difficulties, some fifty municipalities have already exercised their powers of intervention with regard to property, either as part of the programs for the acquisition and development of land under the Act respecting the Société d'habitation du Québec, through private bills or under the Act to promote housing construction, to acquire suitably placed lots and offer them to builders or individuals.

In short, Québec, by comparison with Ontario, still enjoys a an excellent position in the matter of the supply of residential land. But with the new trends in the property market and town planning, such an advantage is no longer to be taken for granted.

Residential renovation

The figures given above on the growth of renovation and repair expenses show that this sector is expanding rapidly and offers a an important new outlet for the construction industry. Even though an appreciable part of the work is done by the owners themselves, it is estimated by Statistics Canada that about 54% of repairs and 67% of renovation work is done by contractors (see Table 24).

Growth of renovation industry

In the mid-1970s, it was feared that the construction industry was proving unable to adapt quickly enough to the need for renovation. But adaptation now appears to be coming about fairly easily. New contractors are taking an interest and new general construction contractors are retraining themselves. In 1982, the RECQ's central file received 201 new registrations from general contractors in building renovation, and in 1983, 469.

More small firms are to be found in the renovation industry than in the new construction sector. Three-quarters of the general contractors in the repair sector have a turnover of less than $250 000. General contractors also use subcontractors regularly, especially independent contractors; the latter have also secured a substantial part of the market in direct contracts.

The renovation industry seems to be fragmented. According to the estimates in a study on the residential renovation industry in Québec, carried out on behalf of the ministère de l'Habitation et de la Protection du consommateur in 1983, about 60% of the work is done for owner-occupants, usually without government assistance, under contracts of less than $10 000. Another 20% is done for owner-occupants or lessors who receive subsidies for work worth more than $10 000. The restoration of property belonging to contractors accounts for 10% of the market, and 10% of the work is carried out by cooperatives and non-profit organizations.

Although there are a great many firms starting up in this sector, renovation of buildings is more difficult, and in some rspects riskier, than the construction of new buildings. Regulations are often more complex, and estimating the cost of the work is more difficult. Subsidized work also entails additional delays (approval, inspection), and there do not seem to be many workers qualified for this type of work. All of these factors mean that firms specializing in renovation must keep firm control of operations if they are to be profitable.

Mortgage Financing

Financing sources for housing

A dwelling may be financed from the buyer's own funds or by means of a mortgage loan.

Since the end of the 1970s, a trend seems to have been developing to increase the amount of capital invested in buying a home. This was already considerable in the preceding decade, representing close to 21% of the value of a new dwelling and about 35% of that of an existing house. According to the results of a survey carried out by the department in conjunction with the APCHQ in 1983, buyers of new homes paid out nearly 29% of the value of their home in 1982-1983. When using their own funds, buyers obviously invest an even larger amount at the time of a change of ownership, about one-third of the total in the case of new homes and more than half in the case of existing dwellings.

In the rental sector, investors tend to keep capital invested to a minimum in order to take maximum advantage of the leverage provided by their property investment. However, according to a study on the profitability of rental property carried out in 1983-1984 for the department, the total debt rate does not exceed 85%.

When mortgage financing is necessary, the loan is usually made by a credit institution. Up to 1975, loans made by indidivuals or non-incorporated companies dropped steadily, from 9.7% in 1969 to only 0.6% in 1975. But analysis of financing sources shows that mortgage loans made by individuals has been on the rise since 1975, the percentage varying with the economic situation. In 1981 and 1982, a period of high interest rates, some sellers made mortgage loans to buyers on more advantageous terms than those offered by institutions.

The share of banking and other lending institutions also varied according to the economic climate. The total amount of mortgage loans made by institutions in 1981 can be broken down as follows: savings and credit unions, 56%; trust companies, 15%; chartered banks, 14%; lending companies and other lenders, 9%; life insurance companies, 6%. This breakdown varies from that observed in the rest of Canada because of the larger number of savings and credit unions here (see Table 25).

Mortgage financing conditions

Increased inflation during the past 15 years and the resulting fluctuations in interest rates have given rise to a tight matching of lenders' assets and liabilities. This has led to mortgages that are renewable for

increasingly shorter terms. The extreme variations in interest rates at the beginning of the 1980s induced savers to opt for short-term financial tools. Consequently, mortgage lenders who financed their loans from these deposits had to make adjustments by offering relatively short-term loans.

This unstable interest rate climate has the twofold disadvantage of making it difficult for new buyers to finance purchases and subjecting those who are already owners to appreciable increases in their monthly payments when their mortgage is renewed. Given the traditional way of repaying a mortgage loan, i.e by equal payments including capital and interest, a rise in interest rates induced by an anticipated increase in the rate of inflation causes an immediate and sizable jump in the borrower's monthly payments.

To offset this effect, new ways of repaying loans have been proposed in the past few years, among others, a system of payments rebalanced by capitalization of unpaid interest. In other words, the borrower pays less during the first five or ten years following purchase of his house, but the interest unpaid during this period is added to the debt and gradually becomes redeemable. There are a number of obstacles in the way of extensive use of these new mortgage instruments. On the one hand, lenders fear that the value of the house will not increase quickly enough and that consequently the debt will approach this value too closely and, on the other, borrowers fear that their income will not keep pace with the rise in the cost of living. Therefore, while the unstable situation of interest rates has given rise to new forms of mortgage repayment, at the same time the unforeseeable consequences of this situation have impeded the implementation of these new forms.

Rate of mortgage debt

In 1981, the mortgage debt amounted to about 35% of the value of the properties. However, this rate is different for the owner-occupant group and the owner-lessor group.

The proportion of mortgaged properties and the debt rate among owner-occupants are higher in Québec than in Ontario. According to the latest available figures, in 1977 the proportion of mortgaged properties was 62% in Québec compared with 56% in Ontario. The average debt rate was also higher in Québec (28%) than in Ontario (22%). However, because the value of property is lower in Québec, the average mortgage debt rate was lower here than in Ontario (see Table 26).

In the rental sector, taxation legislation encourages greater indebtedness. Residually it can be estimated that the average rate of mortgage debt was about 50% in this sector. There are however clear differences in behaviour. Although some professional investors maximize indebtedness, small

owner-lessors often live on their premises and act in a way that is more like the behaviour of owner-occupants of single-family dwellings. The study on the profitability of rental housing carried out for the department in 1983-1984 shows that, at the time of purchase, the average mortgage debt of owners of small rental properties in the Montréal region was lower (69%) than that of owners of large rental properties (84%). To maximize the leverage effect of real estate investment, large investors tend to keep their mortgage debts high.

Lessons of the turbulent years of 1981 and 1982

Integration of the Canadian mortgage market into the capital market has the advantage of ensuring an adequate supply of mortage funds. For the past few years there has been no shortage of such funds. But such integration makes financing conditions dependent upon the vicissitudes of the money market. The evolvement of mortgage interest rates since the beginning of the 1970s, and particularly in 1981-1982, is an illustration of this phenomenon.

Increased interest rates at the beginning of the 1980s raised the spectre of many more defaults in payment among owners who had to renew mortgages. The results of a study of owners of single-family homes in this situation, made in 1982 for the ministère de l'Habitation et de la Protection du consommateur, shows that this fear was not justified. Because of increases in income since the purchase of their dwellings, more than 90% of owners who had bought between 1975 and 1980 had seen their expenditure to income ratio remain on this side of the critical level of 30% when renewing their mortgages in 1981. One of the current conditions for granting a mortgage loan is that the total of mortgage payments and property costs not exceed 30% of the income of the purchaser. It should however be said that the considerable rise in house prices in the last decade probably induced a number of owners who were unable to meet their new monthly mortgage payments to sell their houses before they reached the point of actually not being able to make these payments. Statistics on the taking over of houses must therefore be interpreted with caution. Nevertheless, this period of turmoil showed that most owners can manage a temporary increase in their monthly payments by cutting back on other expenses, but the price paid is slower development of the economy.

Mortgage insurance

Mortgage insurance assures the lender total or partial reimbursement of the loan should the borrower fail to meet his obligations. This must be distinguished from loan insurance, with which we are not concerned in this analysis; it protects the debtor and his family against possible economic loss caused by death or incapacity.

Mortgage insurance is a high-risk sector, which explains why there are only two agencies in the field: the Canada Mortgage and Housing Corporation and the Mortgage Insurance Company of Canada (MICC). In 1981, in Québec, chartered banks, life-insurance companies, trust companies and loan companies granted $690 million in loans with CMHC insurance, compared with $712 million in mortgage loans of other kinds. The proportion of loans insured by the CMHC was much smaller in caisses populaires. The amount represented by the MICC was $396 million.

Generally speaking there seems to be no problem of availability in the field of mortgage insurance. It may sometimes be difficult to obtain insured loans for certain projects, but here it would seem to be a question of economic viability.

Mortgage insurance is valuable, if not indispensable, if the capital necessary to acquire a dwelling is to be kept to a minimum. The rules governing the operation of most financial institutions in fact forbid a loan on mortgage of over 75% of the value of the property, unless the loan is insured. Insurance is also a determining factor in acquiring property for average and low-income households.

Supply of Rental Housing

Although until very recently most Quebecers rented their homes -- which made it almost an exception in North America -- there was little attention paid to finding out who were the owners of rental housing, how their properties were run, how the rents were fixed, what they expected from their investments in the sector, what the benefits were or what particular difficulties they had to face.

The rental sector is now undergoing radical change, with regard to both supply and demand. The greatest change is without a doubt the development of the non-profit sector, under the impetus of government programs. In effect, this sector, which is made up of public housing and dwelling units owned by cooperatives and non-profit organizations, was practically non-existant in 1971, but by 1983 it represented close to 7% of the rental housing stock.

Private rental sector

The private rental sector is by far the largest of the rental housing stock. It is diversified and complex, and involves a great number of agents with different roles.

Owner-lessors

No complete file exists on owners of rental housing. However, there is a certain amount of information about this group of economic agents.

There were probably about 150 00 owners of rental housing in Québec in 1981. They owned close to 200 000 buildings and almost 1 million dwelling units.

Over 90% of the owners are individuals. Only 2% to 3% are companies and about the same proportion are joint owners under an undivided co-ownership contract. Apart from a few hundred large investors with a wide range of investments, most owners seem to be concentrated in the rental housing sector. Using the classifications adopted in a study carried out in 1983 for the Bureau des économies d'énergie (study on means of encouraging energy conservation in the multi-family residential sector), we can divide owner-lessors into four groups:

1. Small owner-occupants. They represent 85.1% of owners and possess on average a building with three units; they have 32% of the market.

2. Individual investors. They represent 11.1% of owners, with on average two buildings and about ten units; they have 15% of the market.

3. Large investors. They represent 3.5% of owners, and on average possess five buildings and about 50 units; they hold 21% of the market.

4. Large companies. They constitute 0.3% of the total number of owners (over 350 firms), have on average about 30 buildings and close to 950 units; they hold 32% of the market.

With regard to the number of buildings owned, there appears to be little concentration; however, there is a certain degree of concentration as to the units held by a small proportion of owners. At one extreme, 85% of owners possess one-third of rental housing; at the other, 3.8% of the biggest owners control 53% of the rental housing stock.

The socio-economic profile of owner-lessors varies enormously and reflects in part the classification given above. Owners are not necessarily very rich, or of a completely different social status from their tenants, especially those who occupy units in the buildings they own. On the other hand, one-third of all tenants live in dwellings belonging to large companies with which they have a business relationship only.

Type of management

According to the same study, over 95% of owners manage their properties themselves. Management companies or firms of administrators are used in only 4% of the cases. However, in terms of the number of units they clearly play an important role. For example, the Association des administrateurs d'immeubles alone has nearly 160 full-time administrators who manage over 100 000 rental units, or 10% of the housing stock.

With regard to upkeep, statistics from the Régie du logement show that small buildings (fewer than 10 units) are rarely maintained by a building superintendent, but usually by the landlord himself. On the other hand, the paid services of a superintendent increase with the size of the building, and are the general rule with 50 units or more per building. Clearly, companies do more business with specialized firms. In the statements submitted to the Régie du logement, the place occupied by maintenance expenses in total operating costs is higher (15% compared with 11%) in properties owned by a company than in those owned by individuals, since the latter often see to the upkeep themselves (see Table 27).

Economic behaviour

There are clear differences in the economic behaviour of owners, depending on the type, whether it is a matter of fixing the rent, or the purchase, resale or financing of housing.

According to reports submitted to the Régie du logement, the monthly rent for dwellings owned by companies is $70 more than that for units rented from individuals, when the dwellings are the same size (see Table 28). This difference can be partly explained by the type of building and the kind of services offered, and doubtless also by the fact that landlord-tenant relations are not the same in buildings also occupied by the landlord; in this case management is more personalized and sometimes includes an exchange of services.

Reasons for purchase and resale also differ according to the type of owner. When a property is purchased, owner-occupants are more concerned with the consumption aspect. Some owner-investors are more concerned with tax benefits, some with the possibility of capital gains, and others with refinancing benefits, as a means of obtaining capital for whatever purposes they deem useful. The latter advantage is one of the basic rules of real estateinvestment. It consists in mortgaging properties to the hilt in order to buy other rental property, making possible immediate use of capital gains without having to give up the property.

Nevertheless, generally speaking owners tend to resell their properties about every six years, and even more rapidly in the case of large buildings. This can be explained in part by tax provisions. Since depreciation for tax purposes consists in applying a fixed rate to the unamortized part of the property,it follows that the amount of depreciation deductible drops from year to year. At a decreasing rate of 10%, after six years depreciation is reduced by almost half, and the investment becomes less lucrative.

In the same way, investors have little incentive to reduce their mortgage debts as much as possible. On the contrary, when they are particularly

concerned with tax benefits from rental property, they tend to keep their mortgage debts at a maximum so as to reduce their net cash balance. However, on this point the behaviour of owner-occupants seems to be more like that of individual owners who seek above all to reduce their mortgage debts.

Financial situation

One sometimes hears alarming statements about the present financial situation of rental property. What is the situation exactly, and how are revenues and expenditures changing?

The principal items of expense vary only slightly according to type of owner. It is mainly in terms of type of property, especially whether or not the heating is included in the rent, that items change. Overall, in 1982 local taxes represented 14% of the gross property revenue potential, insurance, 2%, energy, 15%, upkeep and repairs, 14% and administration, 5%. On the average, nearly half of the gross revenue potential was devoted to necessary expenses, and the other half was considered net income (see Table 27).

Net income must cover mortgage repayments and losses (bad debts, vacant units) before the net annual cash balance can be determined. The cost of mortgage repayment varies widely from one property to the next, depending on financing methods and interest rates. The extent of bad debts and unoccupied units also varies. On the whole, bad debts are minimal. According to applications to the Régie du logement for lease cancellation because of failure to pay the rent (17 000 in 1982), less than 2% of the rental housing stock is affected by bad debts. However, for an owner who has a small number of units a bad debt can be serious, and may even result in losses that are difficult to make up. Assessors seem to consider a rate of half of 1% of gross revenue tolerable.

In the same way, the vacancy rate has quite a different impact on small owners than on large owners. A vacant unit in a triplex occupied by the owner is equivalent to a 50% loss. Small owners therefore tend to try to keep tenant turnover to a minimum rather than maximize gross income by increasing rents; this in part explains the difference between rents asked by large companies and those asked by individual owners.

Return on rental investment

The question of returns in the property sector is often discussed, and differences of opinion are sometimes great. Some maintain that there is money to be made there while others think the opposite.

There is a tendency to think of returns in terms of the annual financial position only. But it is important to be aware that returns are made up of

losses or operating income, of course, but also, and more important, of capital gains realized and of the many tax benefits related to property investment.

Leverage, particularly important in property investment, is a considerable attraction for the experienced investor when considering various forms of investment, for it makes it possible to multiply the money invested several times over because of the effect it has in increasing the value of the property.

There are other advantages to property investment: being able to borrow capital and deduct the interest payable from other income; the opportunity to repay all or part of this capital by refinancing the current mortgage debt; the possibility of using surplus funds from refinancing for other purposes. These advantages may be difficult to enter in the books, however.

The study on the profitability of rental housing mentioned earlier attempts to give the level of returns on investment in the rental residential sector according to its components.

The annual financial position

Using a sample of 170 properties, which does not claim to be representative of the whole of Québec's rental housing stock, the firm of consultants entrusted with the study presented a general picture of how the financial position changed between 1978 and 1983 for the properties studied.

The study shows that the position gradually worsened up to 1982 and then improved slightly in 1983. The trend observed seems stronger in the case of buildings of 12 or more units where financing is highest (84%). For example, an owner who had to renew his mortgage during this period had to pay interest rates that had risen from 11% to 18%; his repayments therefore increased by about $500 for every $100 000 of mortgage.

But the deterioration was not entirely attributable to higher mortgage interest rates. For buildings of 12 or more units, operating costs increased more rapidly than rents. These costs, which represented 47% of rental revenues in 1978, rose to 58% in 1983 (see Table 29, page). According to Statistics Canada, fuel costs almost doubled (+97%) in the 1978-1983 period; however, an increasingly large proportion of this expenditure was paid directly by tenants. Other operating expense items -- repairs (+55%), insurance and administration (+55%) and taxes (+37%) -- also increased more quickly than rents. This more modest increase in municipal taxes was no doubt the result of the municipal taxation reform.

Duplexes and triplexes were not covered by the study because it is difficult to calculate with any accuracy the profitability of a building occupied by the owner.

It is clear that property investors place different values on the various components of returns. Small owners tend to judge their investment on the basis of the annual financial position, while owners of large rental properties place more value on capital gains and tax benefits. The unfavourable changes in the annual financial position are more pronounced in buildings with 12 or more units. Whereas such buildings generated a small operating surplus (about 1%) in 1978 and 1979, they suffered an average loss of about 8% in operating revenue in 1983. On the other hand, buildings with between 4 and 11 dwelling units had operating surpluses varying from less than 1% to 15% of rental revenue from 1978 to 1982; but in 1983 revenues were barely sufficient to cover operating costs.

From the point of view of taxes, if the operating deficit is not the result of depreciation of the property, it may be applied to income from other sources and is offset in this way according to the owner's tax scale.

Capital gains

Capital gains represent the most important return component, but are often underestimated by many owners. Table II, which covers 705 property transactions carried out between 1981 and 1983, shows the annual increase in total property values and the ratio between annual capital gains and the capital initially invested, according to type of property, length of time owned and percentage of capital initially invested.

Table II
Annual increase in value and annual capital gains to capital initially invested ratio, by type of property, duration of ownership and capital invested

Type of building and number	Duration of ownership (in years)	Capital invested %	Annual increase in value %	Capital gains/ capital invested %
Duplex (128)	8,3	27,0	9,1	28,8
Triplex (124)	9,1	32,6	7,8	23,5
4 to 11 units (257)	6,2	28,9	7,4	25,9
12 or more units (196)	3,7	16,6	5,5	38,6

Source: Study carried out for the MHCP.

These compound interest assessments of capital gains are gross figures. There is a danger that capital gains will be over-estimated because the assessments do not take into account additions, improvements, renovation or investment of capital during the period of ownership. Such reinvestment does not appear as such in the registry office, the source of the information used by the firm. These figures were also calculated before taxes and brokerage fees.

In addition, even though brokerage fees are tax deductible, they reduce capital gains considerably, particularly those for buildings with 12 or more units.

It may come as a surprise that the increase in the total property value did not keep pace with the inflation rate, which was close to 10% annually in the ten years preceding the sales covered by the study. Duplexes, with a 9% increase in value annually, came closest, while the value of large properties rose by only a little over 5.5%. But it must be understood that a property depreciates as a result of wear and tear or obsolescence; itsvalue is affected by other factors as well: net income generated, increase in operating costs, fluctuation in interest rates, vacancy rate, new modes of occupancy, and the time and costs involved in putting up a new dwelling.

The usual method used by investors in the rental sector to calculate profit is based on the capital invested. In this respect, large owners are in a privileged position because the capital invested is kept to a minimum. They enjoy the benefits of leverage as described earlier, which increases the returns when they are calculated on the basis of the capital initially invested. Therefore the smaller the amount of capital invested, the larger the returns are likely to be; on the other hand, the financial risk is increased and operation of the building is more vulnerable to fluctuations in interest rates. It can even be said that, as a general rule, capital gains are in inverse proportion to the capital invested, according to this method of calculating profits. This means that buyers who put down an average of 16% of the purchase price for a building with 12 or more units have a higher rate of profit than buyers of duplexes and triplexes, who put down 25% to 30% of the price.

Tax benefits

The only tax benefit considered in the study is that for capital depreciation, as the others are difficult to enter. It would seem that capital depreciation has only a minimal effect on returns, being only a tax allocation. In addition, it can only be used when there is an operating surplus, and as we have seen, operating deficits have been fairly common in the past few years.

However, multiple-unit residential buildings (MURB) are an exception to the rule in that this depreciation can be used as an operating expense to be deducted from income from sources other than the building in question. For such buildings the study shows that returns were 20% higher than for other rental property.

Return on investment in residential property

The return on property investments is therefore measured on the basis of three factors: the annual financial position, capital gains and tax benefits. The annual financial position is the factor that has given rise to most problems over the past years. Although it has most effect on buildings with 12 or more units, it has been observed that small owners are most often affected by a drop in the annual operating surplus. The rise in mortgage rates in 1981 and 1982 certainly had a negative impact on this component of property returns, but the effects of the marked increase in other operating costs must not be forgotten. Despite a slightly depressed market at the beginning of the 1980s, annual capital gains realized when a property was sold remained appreciable. As for tax benefits, they are often difficult to enter. But capital depreciation, the only component that can be recorded, is particularly important in the case of MURB.

On the basis of the various building samples, the authors of the study prepared a number of simulations incorporating all the components of returns after taxes and before brokerage fees for sales made between 1981 and 1983. Although these samples are not representative of the rental housing stock and capital gains were overestimated, the firm concluded that returns realized on capital invested was in the region of 28%.

Briefly, investment in residential rental property was certainly affected by the unprecedent rise in mortgage rates in 1981 and 1982, as well as by the increase in operating costs, certain changes in the tax system and a slightly depressed market. In the long term, such investment remains advantageous, not only because of its profitability compared with other types of investment but also because of its intrinsic characteristics.

Non-profit rental sector

The non-profit sector has three components each with specific objectives and clientele: public housing, the cooperative sector, and housing administered by non-profit organizations (NPO).

Public housing

Low-rental housing (LRH), a program set up under an agreement between the CMHC and the Société d'habitation du Québec, is now built and owned by the

Société d'habitation du Québec, and its management is entrusted to municipal housing offices. Until 1974 the municipalities were also responsible for construction. When the CMHC came into conflict with the SHQ over the lending of the funds advanced by the CMHC, responsibility for the projects was again assumed by the SHQ; responsibility for housing in Montréal was then delegated to the Montréal municipal offices. The CMHC ceased direct loans in 1979, but the new procedure was not modified.

Although in principle public housing may be made available to all income categories, as it is in many countries, here it is reserved exclusively for low-income households unable to find housing on the market which does not swallow up too large a portion of their income.

Construction of LRH speeded up in the 1970s, especially in the second half of the decade. The SHQ became the largest owner-lessor in Québec, with the LRH stock reaching 45 000 units in 1983 compared with 20 000 in 1976. Operating costs are comparable with those of similar properties in the private sector, with certain exceptions. But construction costs are considerably higher, the average for a 2-bedroom apartment being $42 000 compared to $30 000 in the private sector for a dwelling of the same size. This is partly the result of a difference in quality, since public housing is subject to stricter standards.

Low-rental housing also often forms part of a municipal planning policy, so that sites may be selected because of proximity to services and therefore will be more expensive. But low-rental housing costs are average if we consider the whole of Québec. It costs slightly more to build these units in rural areas than in large centres. Finally, LRH includes facilities that the private sector does not usually provide, a common room for example.

The cooperative sector

Rental housing cooperatives began to appear in numbers in 1979 under the impetus of the Québec LOGIPOP program and the federal public housing program set up under section 56.1 of the National Housing Act. Briefly, LOGIPOP provides a start-up subsidy of $500 per cooperative, a capital subsidy of $1 000 to $3 000 per unit and an annual subsidy of $50 000 per GRT. Section 56.1 provides for loan insurance to cover 100% of the costs of the project, a mortgage discount to bring the interest rate down to 2%, and a reserve for subsidizing tenants unable to pay the lowest rent on the market.

With this assistance the number of cooperatives rose from 92 in 1980 to 580 in December 1982; of this number, 400 are active and have a stock of about 10 000 dwelling units, 5 000 of which were built under the 56.1 program.

Basically, cooperatives were promoted because they made it possible to minimize long-term housing costs for low-income households and hence to reduce

the cost of public assistance. In effect, in rental cooperatives the rent is established solely in accordance with the costs of operating the property, including mortgage repayments, and not in terms of rents on the market or the resale value of the property. In the medium and long terms, cooperative rents should tend to move away from rents on the market and consequently to become more affordable for medium and low-income households. If such households can have suitable accommodation for a low rent they should have less need of government help in meeting housing costs. When we consider the number of such households that have already been reached, it would seem that we are moving towards attainment of this goal.

Several support groups have helped speed up the cooperative movement in Québec: les Groupes de ressources techniques (GRT) set up and partly financed by LOGIPOP, community housing societies promoted by certain regional federations of the Mouvement Desjardins and, in certain cases, regional federations of housing cooperatives.

In the past few years, cooperatives have been developing in a form peculiar to Québec: 60% have been built by means of the purchase and renovation of buildings with several dwelling units, and 11% by converting buildings that were used for another purpose, while in the rest of Canada the majority have been projects for new buildings. However, even when a building is purchased for the purpose of renovation, the unit cost is still high considering the amount of work done (average of $21 000). But the substantial interest discount offered by the CMHC makes rents much more affordable generally in Montréal's cooperatives.

Rental housing cooperatives differ from other non-profit rental projects in that the members take an active part in the day-to-day management. The financial commitment is kept to a minimum, generally to the purchase of one $100 share. Members are asked to participate in management decisions and sometimes to provide various maintenance services. Such participation is doubtless easier to obtain in small buildings during the start-up phase, but in larger buildings it is more likely to continue. In any case, in the long run it is important to have a reserve of members who can be called upon to take over when others drop out. This is one of the reasons why cooperatives have tended to become larger over the past few years.

Housing administered by non-profit organizations

Non-profit lessor organizations have the same general objectives as cooperatives: to be self-financing and to offer rental units that in the long term will be cheaper to rent than housing in the private sector, since the object is not profit.

There are about 21 000 dwelling units of this kind in Québec, 11 000 of which have been completed since the beginning of the 56.1 program. Most of these units are in new buildings, but a good portion are in residential blocks formerly held by the CMHC.

These organizations have no capital stock, and operate in accordance with assistance programs whose objective is to offer housing for rents lower than those on the market. This type of organization does not automatically mean joint management or participation by the tenants in making decisions that concern the building. There are two different kinds of non-profit organizations involved in housing: those that operate on behalf of a specific clientele and those with the twofold objective of development and property management, holding a property portfolio temporarily or permanently.

The first type offers housing to clients who cannot themselves assume management, either because they are not autonomous or because they have other psychosocial characteristics that prevent them from doing so. This type of management is chosen rather than a cooperative in order to help the elderly, the handicapped and roomers. It does not rule out participation by the tenants but it is not required at the outset.

The second type also offers dwellings to economically under-privileged persons. But this goal is pursued by means of several kinds of property operations; this is true of some community associations and Immeubles SDC. The organization holds a management portfolio, provides services and carries out other operations such as purchase, renovation and formation of cooperatives. Organizations in this category have a more important portfolio than those in the first.

To date the non-profit sector has been very dependent on subsidy programs. It is essentially concerned with the underprivileged, offering them accommodation at a rent which, other things being equal, cannot be matched on the market. It is therefore not surprising that non-profit housing is much in demand. Development in this sector rests on the principle that rents, even without subsidy, will drop in the long run, thus providing an economic solution for low-income households.

CHAPTER II

THE HOUSEHOLD

Housing is available in a multiplicity of forms: a person may live alone or with others, who are, or are not, part of a family unit, in a dwelling that is large or small, high-quality or modest, expensive or low-cost. Because of the variety of individual behaviour and preference, housing demand is not an easily defined phenomenon. It shifts and evolves. It is based on demographic growth without following it exactly. On the other hand, economic conditions cause it to contract or expand in line with increases or decreases in personal disposable income. Changes in individual behaviour produce the same type of effect. If it is considered normal in a society for a young person to leave his parents as soon as he is of major age and set up on his own, more housing units will be required than when parents and children continue to live together for extended periods. Housing demand, in a word, is dependent on demography, economics and mores. The present situation and developments over the past decade in Québec reflect these determining factors.

A Changing Unit

The basic unit used in establishing housing demand is the household. A household consists of one or more persons who live in a private dwelling, that is, one which has the rooms and installations necessary for the main domestic functions: sleeping, personal cleanliness, cooking and meals. This definition leaves fringe behaviour in the shadows, even though it may be fairly considerable. A reception centre or rooming house may represent housing suited to the needs of certain categories of persons. For a general view of the situation, we must first consider individuals and see how they group to find housing.

How people group in lodgings

In our societies, we find two main types of housing: private dwellings and collective housing.

Private dwellings

Among the persons who live in private dwellings, three types of households are usually distinguished (see tables 31 and 32).

1. Family households, corresponding to a basic family unit, that is a married couple or de facto spouses with or without children, or an adult with one or more children. In 1981, there were 963 245 couples with children, 477 025 childless couples and 198 460 single-parent families, for a total of 1 638 730 family households, 75% of households in Québec. These households account for 86% of the population occupying private dwellings.

2. Multi-family households, grouping at least two families and consequently at least four persons. In Québec there are only 16 025 households of this type, that is less than 1.0% of Québec households. Nevertheless they represent close to 94 035 persons, or 1.5% of the population occupying private dwellings.

3. Non-family households, consisting of one or more persons without family relationships. In 1981, there were 518 115 households of this type, slightly less than 24% of Québec households. Persons living alone make up 82% of these non-family households. They account for 642 000 persons, about one-quarter of them elderly, or 10% of the population occupying private dwellings.

The family still remains the preferred group since 88% of Québec's population lives in this type of household in one form or another. However, this category of household is growing more slowly than the rest.

Collective housing

While 98% of Québec's people live in private dwellings, the remainder live in what is known as collective housing, that is rooming houses, nursing homes, reception centres, military camps, work site camps, prisons and so on. In this category, only rooming houses enter into the concerns of a housing policy.

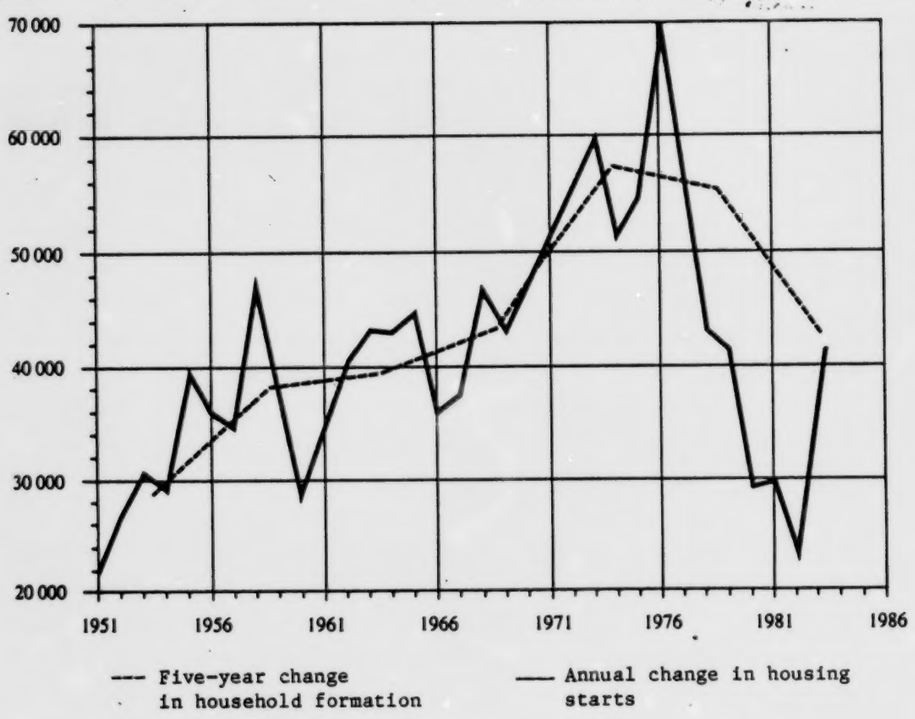
In 1981, over 115 000 persons (almost 2% of the population in Québec) lived in collective housing, most of them (82%) in establishments subsidized by the State (see Table 33). Some95 000 persons are involved, cared for primarily by the social affairs network and not covered by the analysis in this work.

The other form of collective housing, the rooming house, must be examined on the same basis as private dwellings since the rooms are rented on the market. It is a question of a small building consisting of dwellings converted into rooms, usually rather old, dilapidated, and poorly maintained into the bargain. More often than not the area of the rooms is reduced to a minimum, and all parts are used to the maximum (including the attic and the basement). There seems to be a high correlation between the size of the building and the dearth of hygienic facilities, which is particularly marked in large rooming houses. According to 1981 census data, the number of persons living permanently in rooming houses came to about 8 500. But such data definitely seem to under-estimate the real number of roomers in Québec. In 1981, the city of Montréal alone had over 13 000 duly registered rooms. Furthermore, in 1982 there were 17 000 social aid recipients rooming in Québec. By definition, this category excluded students, workers and persons over 65 who lived in rooms. It may therefore be stated with some certainty

that there are at least 30 000 roomers in Québec, without counting those who rent rooms with a family.

Rooming houses are used by a varied clentele, consisting of at least two main groups: a highly mobile population with a frequent turnover, students and casual employees, and a fairly stable population that is very dependent economically and socially, occasionally suffering from chronic health problems or in a period of social reintegration. This modest income clientele looks for cheap housing. The rent for a room is more readily affordable than a studio even though the latter is larger and has more conveniences. In 1980, a room rented for between $80 and $160, with the average being about $100 a month. Rent increases in this sector seem to be related more to changes in the social aid benefits received by roomers than to market conditions, bearing witness to the dependency of the clientele resorting to this type of housing. Each room usually has a basin, stove and refrigerator. In most cases, there is a bathroom on each floor. There seem to be two reasons for operating such rooming houses: the profitability of the location and the opportunity for speculating in the land around or in the downtown area. The expansion of downtown Montréal, moreover, largely explains the gradual disappearance of rooming houses in this sector.

Graph I
Evolution of housing supply and demand in Québec, 1951-1983



It must be stressed that there is another category of roomers, those who live in private dwellings. This category is little known and probably very mobile, and can be partly equated with non-family members living in family households.

Growth in number of households

Between 1971 and 1981 the number of households increased by 567 000, from 1.6 million to 2.2 million, a growth rate of 35%. This rate is distinctly higher than the population growth rate, which rose by only 6.8% over the same decade.

This rapid growth in the number of households took place in a favourable economic period, which was in itself conducive to a multiplication of non-family households. These accounted for 42% of the total increase in the number of households. During the 1971-1981 period these non-family households continued their previous, almost geometric rate of progression, doubling every ten years. In 1951, there were only 69 000 non-family households; it rose to 132 000 by 1961, to 280 000 in 1971 and 518 000 in 1981. Family households merely doubled over the same thirty-year period. The proportion of non-family households in the total number thus went up from 8% to 24% (see Table 34). This proliferation of non-family households stems from a combination of factors: the swelling numbers of young adults -- in 1971 there were 1 028 000 young people between 20 and 29 and in 1981, 1 233 000 — together with their propensity for leaving the family home earlier, the greater tendency of elderly widows and widowers to remain in private housing, the increasing numbers of divorces and favourable economic conditions. In general the 1970s showed a marked tendency for adults to live alone.

Within family households trends also appeared. In all likelihood the number of childless couples increased more quickly than couples with children, although this statistic must be used cautiously since de facto spouses were not very well enumerated in 1971. Partly as a result of the rising divorce rate, the number of single-parent families went up faster than all family households and the relative proportion went from 10% to 12% in the course of the past decade. Changes in the conception and life of the couple had a direct effect on the make-up of households.

All these changes have an impact on demand and make the market far less stable. Demand has probably lost some of its stability because non-family households contract more easily (returning to live with the family, sharing living quarters). Since they represent a sizable proportion of demand, it is more likely to show sharp fluctuations. This hypothesis is also supported by the comparatively precarious economic situation of non-family households.

Changes in the economic situation of households

In 1970, the average household income was $19 700 (in constant 1980 dollars). This average income went up to $22 900 in 1980, a real increase of 16% in 10 years. However, the economic situation of family households and non-family households did not evolve at the same rate. While family household income went up from $21 000 to $25 900, an increase of 23%, non-family household income rose only 6%, from $12 500 to $13 200 (see Table 36). And let us remember that in 1983 family household income reached $30 000.

The number of families that can count on two employment incomes has been growing since 1970, largely accounting for the greater increase in family household income. In 1980, 53% of families could count on two employment incomes and their household income reached an average of nearly $29 700, while it came to $20 600 for families with a single employment income, and only $9 000 for those with no employment income (see Table 37).

Average income is also related to household size. Income for households consisting of a single person came to $11 500, while for two-person households it was $20 700 and for households with at least five persons, $30 700.

Family income also varies in terms of the age of the head of the household. Between 15 and 24, the average was $17 000, gradually going up to $34 000 for those 45 to 54. Then it declined and was only $21 000 for people 65 or over.

Distribution of Households in Housing Stock

Where do households live? In what kind of buildings? In what capacity do they occupy them?

Who is the owner?

Tenure is closely related to the type of household. The majority of family households (63%) are owners, whereas the proportion is only 22% for non-family households. Among family households, single-parent families are closer to non-family households in this regard, 37% being owners. On the other hand, the proportion is 51% for childless couples, 66% for couples with one child and 79% for couples with two or more children (see Table 38).

It is also observed that the percentage of owner households rises regularly with household income. In fact, the proportion stood at 37% for households with incomes under $20 000 in 1980. Among those with incomes between $20 000 and $30 000, 60% were owners.And owners are clearly in the majority (76%) among households earning over $30 000 (see Table 39).

Where do owners and tenants live?

The type of housing preferred by owners is still the single- family home; the preference is greater among family households (76%) than among non-family ones (65%). On the other hand, only 9% of tenants are found in this type of building. The vast majority of tenants (89%) live in buildings of less than five storeys. A certain percentage (11%) live in high-rise apartments, a larger proportion (17%) being non-family households than families (7%) (see Table 40).

As for spatial distribution, over half of Québec's tenants (59%) live in metropolitan Montréal (see Table 41). Within this area, they are proportionally more concentrated in the city of Montréal (78%) and certain municipalities on the island, Verdun, Montréal-Nord, Lasalle, Saint-Léonard. On the north shore, including Laval, they form a minority in all municipalities. On the south shore, there are only two, Longueuil and Lemoyne, where they are in the majority. In rural municipalities more than 80% of the households own their homes (see Table 42).

Limited choices

Shelter is an essential need that requires a minimum of consumer spending. On the housing market, the variety of forms offered enables households to make choices about the dwelling they will occupy — large or small, high-quality or modest, expensive or low-cost. But their choices are limited by household income. Low-income households have a relatively restricted choice.

Owners express their choice, if only by their status. Generally the value of the dwelling owned tends to rise with income level.However, it is found that a certain percentage of well off owners choose to under-consume by living in fairly modest homes. In 1981, 10% of the owner households with incomes over $50 000 owned homes with an estimated value of less than $40 000. On the other hand, some higher-priced houses were occupied by households with lower incomes. In many cases these were older households who had acquired their homes when their income was higher (see Table 43). These households may have certain assets accumulated and thus be able to easily support this apparent excessive consumption. However, it is often a problem for older households to retain their ownership, as will be shown later.

Among tenants, essentially the same consumption patterns can be found. Thus, 25% of tenants with incomes over $50 000 paid less than $250 monthly for housing in 1981, that is, an expenditure-to-income ratio of only 6% (see Table 44). This too is a choice of under-consumption since they have the ability to pay and there are better quality and higher-priced dwellings available. Theoretically, if the housing stock were distributed in accordance with

household income, only 6% of tenants would have to spend over 30% of their income on housing.

Like low-income owners, but in a much more pronounced fashion, tenant households often find their choices limited by their means. Satisfying their housing needs then becomes a problem. And we cannot confine ourselves to the question of housing cost versus income but must also consider such factors as household size and housing quality.

Housing Conditions

When we wish to assess individual housing conditions, we usually consider three basic aspects: the size of the dwelling compared with that of the household, the relative quality of the dwelling and the housing cost in relation to the income of the household living in it. For housing not to be a problem, the dwelling must be of sufficient size, reasonable quality and affordable. According to a survey of household housing expectations carried out in March 1983, close to 87% of Québec households were satisfied with their residential situation. This figure varies according to the type of tenure; nearly 93% of owners said they were satisfied, and about 77% of tenants.

Adequate size

To determine whether a dwelling is sufficiently large, the ratio of one person to a room is frequently used. This is not, of course, entirely satisfactory, for it does not take account of the make-up of the household, the sex and age of each of its members. While it is perfectly acceptable for two young children to share the same room, it is generally held that, starting in adolescence, it is desirable for them to have a room their own. However, the figure may, according to current thinking, be considered the minimum for a one-person household and very confining for large families.

The average population rate is 0.5 person per room, in Québec as in Ontario. Nor is there any significant difference between the average rates for owners and for tenants.

A very small proportion of Québec households live in over-crowded housing conditions. Among two-person households, 81% live in dwellings with at least three rooms; 74% of three-person households and 88% of those with four or more members live in homes with at least five. Moreover, 77% of one-person households have dwellings with three rooms or more and 24%, at least five (see Table 45). Only 3% of households with private dwellings, 60 000 households, have fewer rooms than the number of persons in the household. Nearly 80% of them are couples with at least one child. The other households in such situations are multi-family households, but they make up only 0.7% of households occupying private dwellings. Furthermore,there is no pronounced

decline in the population rate with increasing income. In short, overcrowding problems are very limited and affect households irrespective of tenure or income level (see Table 46).

Suitable quality

Acceptable housing conditions imply a reasonable physical quality. However, there is no unanimity about what level of quality is regarded as suitable. Sometimes the standard of comparison is a new dwelling. But we must admit that it would be excessive and doubtless beyond the collective ability to pay to demand that every dwelling have the quality of a new one. We must aim instead to ensure that all housing offers a reasonableminimum quality and leave to consumers and owners the task of freely determining the level of quality they desire.

Housing of reasonable minimum quality must

- be safe, which means be equipped with an adequate electrical entrance and not have any defective electrical installa tions, broken down balconies, floors or stairways, or unstable framework;

- be healthful, that is free of insects and rodents, excessive moisture in the basement, and have a ceiling of a minimum height, sufficient doors and windows, watertight walls and roof;

- be capable of being heated to maintain a temperature of at least 18°C without requiring excessive outlays for energy;

- be equipped with a minimum of sanitary equipment: a toilet, separate bath or shower and a kitchen sink.

In view of the scanty information available on the physical quality of the housing stock, it is impossible to assess with any accuracy how many households do not have dwellings corresponding to these minimum criteria. But we do know that the quality range is considerable. For example, in the same neighbourhood a luxurious high-rise apartment with two bathrooms and air conditioning can be found right next to a dwelling with a sagging balcony, no central heating and little insulation. Generally speaking, 92% of households in Québec consider their housing a low fire risk: 84% of tenants and 97% of owners.

Census data furnish at least two housing quality indicators: the sanitary installations and the need for major repairs. In 1981, 99.4% of Québec's dwellings were well equipped with plumbing installations. Only 14 000 (0.6%) were found that did not have them and 38 000 others (1.7%) that had no bath or shower. The lack of adequate plumbing facilities is more frequent in rural

non-agricultural regions than in urban areas (see tables 47 and 48). Two other points should be stressed. Québec's situation with regard to sanitary installations compares favourably with the rest of Canada. And 88% of the dwellings are heated by a central or an electric baseboard heating system (see Table 49).

As far as major repairs are concerned, the 1981 census enumerated 165 000 dwellings that needed them, or 7.6%. While about the same proportions of owners and tenants seem to be affected, the problem is found to be more acute outside the six large urban centres of Québec (see Table 50).

Affordable property

The financial attainability of a dwelling is generally based on the ratio of the cost of occupying the dwelling to the house-hold's income, which includes the total gross income of all its members. The cost of occupying a rented dwelling corresponds to the rent plus any extra charges for heating, electricity and municipal taxes. For owner-occupants, the cost includes mortgage payments, property taxes, fuel and electricity. The ratio of occupancy cost to household income, that is, the percentage of income allocated to housing, is commonly called the expenditure-to-income ratio.

According to a survey carried out on behalf of the MHPC in the spring of 1983, the average expenditure-to-income ratio was 24% for tenants and 22% for owners. These averages are comparatively low, but this is not true for all households.

For owners, the ratio varies in terms of household income, occupancy cost and age of the breadwinner. The ratio is 38% for households earning less than $15 000 and only 13% for those with incomes over $30 000. In relation to the cost of occupancy, it is about 14.5% when the cost is under $3 000 and 28% when it is over $4 500. In terms of age, the ratio is lowest for households whose breadwinner is between 35 and 54 (20%), and goes up to 29% for households whose head is over 55 (see Table 52).

For tenants the ratio varies in terms of household income and breadwinner's age. It is 40% for households with incomes under $15 000, but only 11% for those earning over $30 000. In terms of age, the lowest ratio in found in households whose head is between 35 and 54 (19%), and goes up to 34% when the breadwinner is over 55.

Objectively, then it may be concluded that Quebecers in general spend a reasonable proportion of their budget on housing. However, slightly higher than average expenditure-to-income ratios are found in low income households and those with breadwinners over 55.

On the other hand, if households are asked whether they can afford to spend more or less money for housing, we obtain a subjective measurement of financial considerations. According to a survey conducted in April 1984, close to 33% of households think they could increase the proportion they spend on housing. This is the case for 20% of the households earning less than $20 000 and 42% of those with incomes over $20 000. Conversely, 23% of households feel they spend less on housing, 16% of the households earning over $20 000 and 35% of those with incomes under $20 000. We may deduce that many households could spend somewhat more on housing without their budget suffering.

In spite of what objective and subjective measurements suggest, according to the survey on household expectations about housing carried out in 1984, Quebecers feel their housing costs are too high; 48% consider that tenants have excessive charges to meet and 45% think this about owners. This can be explained by the considerable proportion of the household budget accounted for by housing expenditures. But how does the situation in Québec compare with other places?

Lower prices than elsewhere

A study carried out for the Québec ministère des Finances in September 1983 showed that housing is less expensive in Montréal than in several other cities in Canada. For a two-bedroom dwelling rents were 3% higher in Toronto and 15% higher in Vancouver. A standard single-family house (111 m^2) in an average income community in Montréal would cost 36% more in Edmonton and 91% more in Vancouver. A more luxurious home (185 m^2) would cost 31% more in Edmonton and 64% more in Vancouver (see Table 51).

Consequently to have the same expenditure-to-income ratio, households in these Canadian cities must earn higher incomes than in Québec.

In the United States, a study based on 1977 data calculated the average rent-to-income ratio for tenants to be 29%, 5 points higher than in Québec. The same study gave 34% for the housing-cost-to-income ratio for American homeowners. This can be explained by an over-consumption in home-ownership, encouraged by American fiscal policy which allows deduction of mortgage interest and real estate taxes from income. The fact remains that the ratio is 12 points higher than in Québec.

These figures lead to the following observation: compared to their immediate neighbours, Quebecers are favoured when it comes to finding housing they can afford. It costs less for housing in Québec and households spend a smaller proportion of their budgets for this purpose. However, it must not be forgotten that some categories of households experience greater housing difficulties than others. The following analysis enables us to specify who faces such a problem in each category.

For whom is housing a problem?

To answer this question, all aspects of the problem must be considered at the same time, together with the possible choices of consumers.

Approaches in determining needs

Various approaches have been developed to determine the number of households embroiled in housing difficulties.

The best known and most widely used to date is the approach known as conventional. Essentially it is normative: it considers that a household should not normally spend more than 25% to 30% of its income on housing, and that all households exceeding this level have a problem with the financial aspect of housing and are therefore in need.

Automatic use of this normative threshold raises several questions and is subject to a number of criticisms. First, it does not consider the level of household income and therefore the residual disposable income for consumption of other essential goods. Nor does it consider the size of the household and its differing needs, or the quality or size of the dwelling concerned.

In the face of these shortcomings, other approaches have been devised to suggest more precise methods for calculating the number of households for whom housing is a problem.

In this perspective, a first approach qualified as a "fair market rental" consists in establishing for each urban area the average rent observed on the market for dwellings of different sizes and reasonable quality. These average rentals are then compared to the income of households, who are assigned a dwelling of adequate size with regard to their composition. Households are then considered to be in need if they cannot pay the average rental for a suitable dwelling of adequate size without spending more than 25% or 30% of their income.

This approach has the advantage of taking account of the size and quality of the dwelling with regard to the characteristics of the household. In addition, it makes it possible to eliminate in accounting for households in need those who have chosen to spend a significant proportion of their income on housing, and to reintroduce those who, to avoid encroaching on other essential goods, tend to overcrowd their dwelling. However, this approach remains normative in that it uses the basic critical threshold of 25% or 30% which is still arbitrary.

There is another way of determining which households are in need, known as the residual income approach. This does not use any basic norm with regard to the proportion of income that should be spent on housing. On the contrary, it

first establishes for each type of household the basic budget necessary to ensure all essential needs other than housing. The cost of housing is established for each type of household according to the fair market rental approach. The residual income of a household is obtained by subtracting from its actual income what it would cost for a decent dwelling of adequate size. If the residual income is lower than the minimum budget required to cover other essential goods, then the household is considered to be in need. The extent of its problem then corresponds to the difference between its residual income and the budget necessary for other goods.

The difficulty with this approach is that it is based essentially on the idea that it is possible to establish the minimum income required to cover all needs for each type of household.

The method we have worked out for identifying households in need is inspired by the different approaches we have just presented.

Main parameters of our approach

The model we have developed distinguishes 11 types of household (see Table IV), and deals essentially with tenants. We chose to study only this group because, generally speaking, owners' problems seem to be less critical when the medium and long-term advantages of home ownership are accounted for, in particular the accumulated savings.

Then we determined for each of the 11 types of households what it is agreed to call decent income levels. It is not a question of the present social aid scales or desirable minimum income levels. On the contrary, many of the households living below these levels manage to find housing without difficulty. They correspond rather, for each type of household, to the upper limit of the model, as shown in Table III. In other words, we assume that above the decent income level a household would no longer be considered to be in need, irrespective of the housing conditions in which he lives. We think in fact that at this income level he could find on the market a dwelling of suitable quality and large enough without having to spend a disproportionate amount of his income for rent. The 11 types of households in question may be grouped under seven income levels corresponding to the number of persons in the household.

Of course there is no universal and certain manner of determining such income levels. After examining several studies on the matter, it seemed that the best known and best suited to our requirements was the decent income level defined by Statistics Canada for urban centres with 30 000 to 99 999 inhabitants. This level corresponds to the income required to avoid having to spend more than 58.5% of the household budget to satisfy essential needs: food, clothing and housing.

Table III
Size of household and upper income level of the model

Number of persons in household	Upper income level of model
1	7 167 $
2	9 398 $
3	12 575 $
4	14 536 $
5	16 585 $
6	18 370 $
7 or more	20 383 $

All tenant households whose income was above their decent income level were therefore excluded from our analysis. On the other hand, every Québec household is assured, if it has no employment income, of receiving a minimum amount in transfers. For various reasons, many households enumerated during a census declare income of less than these minimum transfer payments or even no income at all. To correct this bias, we have attributed to each of these households a minimum income equivalent to what it should have received in transfers.

All tenant households living under their respective decent income levels were grouped according to whether or not they occupied a dwelling of suitable quality and whether or not their dwelling was sufficiently large. All households were also considered with regard to their expenditure-to-income ratio, that is the proportion of their income spent on housing. A number of recent studies tend to show that the critical expenditure-to-income ratio varied in terms of the size of household (see Table 53). For the purposes of our model, we regarded households with two or more children as facing problems of financial access to housing only if they spent more than 25% of their income on it. For all other households, the critical point was set at 30%.

With these parameters, the model makes it possible to concentrate on the households most likely to face a housing problem in Québec and group them in regard to the following situations:

1. financial barriers
2. quality
3. space
4. financial barriers and quality
5. financial barriers and space
6. quality and space
7. financial barriers, quality and space.

Results of model

In 1981, there were slightly over one million tenant households in Québec.

A little less than one-third of these, about 317 000, were at the critical income levels previously indicated. For 90 000 of these households, housing was not a problem. They lived in a suitable dwelling, that is, one that did not require major repairs, was large enough for their needs, and did not call for a larger proportion of their income than the critical expenditure-toincome ratio already established.

Furthermore, 52 300 households were in a situation we could call one of adjustment. Most of these households apparently facedfinancial problems. However, they all had a point in common, that they occupied large dwellings. They could have remedied their problem in the long run by living in smaller quarters if the rent were lower. Therefore they were not counted among those for whom housing is considered to be a problem.

There remained approximately 172 600 tenant households who really do face a housing problem, either in terms of financial barriers,quality or size, or because of some combination of the three. One rental household in three, or 17%, experience housing difficulties. Over half (60%) are single persons or single-parent families. In the latter category, one family in three faces such difficulties.

Financial considerations are definitely the number one problem. Of the 172 600 households in difficulty, three-quarters are essentially up against this problem. If we add those who face another difficulty as well (quality or size) we account for 90% of the households involved, that is, 156 850 house-

Table IV
Breakdown of households facing a housing problem, by type of household and source of problem, Québec, 1981

Type of household	Quality		Space		Financial	
	Number	%	Number	%	Number	%
Family households	4 230	60,4	5 825	75,5	61 690	47,4
.childless couple under 65	610	8,7	205	2,7	10 605	8,2
.childless couple 65 or over	455	6,5	100	1,3	3 635	2,8
.couple with one child	905	12,9	1 510	19,6	7 010	5,4
.couple with two or more children	1 430	20,4	2 040	26,4	12 175	9,4
.adult with one child	385	5,5	1 285	16,6	14 615	11,2
.adult with two or more children	445	6,4	685	8,9	13 650	10,5
Non-family households	2 075	29,7	1 275	16,5	65 290	50,2
.one person under 65	555	7,9	-	-	40 485	31,1
.one person 65 or over	610	8,7	-	-	19 720	15,2
.two persons, earner 65 or over	740	10,6	1 155	15,0	4 550	3,5
.two persons 65 or over	170	2,4	120	1,6	535	0,4
Other households	690	9,9	620	8,0	3 120	2,4
Total	6 995	100,0	7 720	100,0	130 100	100,0
Percentage	(4,1 %)		(4,5 %)		(75,3 %)	

Source: Statistics Canada, Canada Census, 1981 (special compilation) and MHPC.

holds or 15% of the million tenant households in Québec, who are faced with problems of a financial nature when it comes to housing (see Table IV).

Households faced with a problem regarding quality or size only together represent less than 9% of the households finding it difficult to house themselves according to their needs. Unlike those for whom it is merely a matter of adjustment to the situation, these households could not improve their lot without encountering some other form of problem, particularly a financial obstacle. Finally, the households where the three types of difficulties are combined are few in number, representing 1 390 rental households.

The extent of the problem, however, varies widely from one household to another.

In 15% of the cases, the difference between the real outlay and the critical expenditure-to-income level as defined above is less than five percentage points, but in 46% of the cases, it is over 15 points, which represents a considerable financial burden (see Table V).

We should remember however that our calculations do not consider the impact of assistance programs such as the property tax credit (PTC) and LOGIRENTE. If the PTC is taken into account, we estimate that the number of households with financial problems drops from 156 850 to about 145 000. In addition, some 20 000 elderly households received aid from LOGIRENTE. Since

Table IV (cont.)
Breakdown of households...

Quality and financial		Space and financial		Quality and space		Quality, space and financial		Total	
Number	%	Number	%	Number	%	Number	%	Number	%
7 515	59,5	11 840	93,0	870	85,7	1 335	96,0	93 305	54,1
810	6,4	185	1,5	10	1,0	5	0,4	12 430	7,2
155	1,2	50	0,4	-	-	-	-	4 395	2,5
775	6,1	1 305	10,2	195	19,2	90	6,5	11 790	6,8
1 745	13,8	2 215	17,4	390	38,4	260	18,7	20 255	11,7
1 925	15,2	5 040	39,6	180	17,7	520	37,4	23 950	13,9
2 105	16,7	3 045	23,9	95	9,4	460	33,1	20 485	11,9
4 740	37,6	495	3,9	75	7,4	5	0,4	73 955	42,9
3 295	26,1	-	-	-	-	-	-	44 335	25,7
920	7,3	-	-	-	-	-	-	21 250	12,3
475	3,8	475	3,7	70	6,9	-	-	7 465	4,3
50	0,4	20	0,2	5	0,5	5	0,4	905	0,5
370	2,9	400	3,1	70	6,9	50	3,6	5 320	3,1
12 625 (7,3 %)	100,0	12 735 (7,4%)	100,0	1 015 (0,6 %)	100,0	1 390 (0,8 %)	100,0	172 580	100,0

this program provides financial assistance equivalent to three-quarters of any excess over a 30% expenditure-to-income ratio, the severity of the financial problem for these older households is reduced to this extent.

Changes in Housing Conditions

Housing conditions for Québec households changed considerably in the 1970s. Housing consumption continued to increase, but at the same time accessibility became a problem for certain types of households.

Growth of owner-occupied housing

One of the most notable changes took place in tenure distribution. The percentage of owner households went up sharply. From a majority of tenants in 1971, most Quebecers are now homeowners.The percentage, which stood at 47.4% in 1971, climbed to 50% in 1976 and to 53.3% in 1981. The rise is even more striking among family households: 51% in 1961, 53% in 1971, 58% in 1976 and 63% in 1981 (see Table 54).

The increase came about essentially by growth in new property acquisitions, primarily single-family dwellings, but also buildings with two to five residential units and condominiums. In recent years, it has also been swelled by conversions into undivided co-ownership. Since 1978, an appreciable number of rental units in small buildings with four dwellings or less have been converted. A survey conducted in the summer of 1983 by the MHPC on transactions since 1978 in the centre of Montréal enables us to estimate that nearly 10 000 dwellings have been transformed in the city.

The population of these new co-owners is fairly young (most of them under 40), well educated (most have a university degree) and quite well-off (an above-average family income) (see Table 55). This conversion phenomenon leads to a transformation of the socio-economic characteristics of downtown neighbourhoods. And it seems that a certain number of the displaced tenants do not manage to find housing conditions equivalent to those of their converted dwelling.

This growth in the proportion of homeowners has been pronounced not only among family households but also in the higher income categories. It has been far less marked in more modest income groups.

Increase in consumption

Essentially because of the decline in family size, housing consumption has definitely risen in the past 20 years. In 1961, the number of rooms per person was 1.2; in 1971, the proportion went up to 1.4 and in 1981, 1.8. Concurrently, there was a drop in the number of multi-family households and an

Table V
Extent of housing affordability problem, Québec, 1981

Deviation from critical rent-to-income ratio	Total		Cost		Space-cost		Quality-cost		Space-qual.-cost	
	Number	%	Number	%	Number	%	Number	%	Number	%
0 - 5 pts	23 450	15,0	20 475	15,7	785	6,2	2 095	16,6	95	6,9
5 - 10 pts	33 960	21,6	28 065	21,6	2 820	22,1	2 780	22,0	295	21,2
10 - 15 pts	27 060	17,3	21 245	16,3	3 160	24,8	2 285	18,1	370	26,6
15 pts or over	72 380	46,1	60 315	46,4	5 970	46,4	5 465	43,3	630	45,3
Total	156 850	100,0	130 100	100,0	12 735	100,0	12 625	100,0	1 390	100,0
%	100 %		82,9 %		8,1 %		8,0 %		1,0 %	

Source: Statistics Canada, Canada Census, 1981 (special compilation).

increase in the proportion of dwellings occupied by a single person, particularly among young adults (see Table 56).

Housing consumption also seems to have improved from the qualitative point of view, although indicators are less precise in this regard. We have already noted the improvement in sanitary facilities. We should probably also emphasize the distinct progress in the quality of heating and insulation.

Changes in financial picture

If we examine the changes in household income between 1971 and 1981, it can be observed that on the whole households became wealthier: in constant dollars the median income went up from $16 950 to $20 007, an increase of 18%. However, among rental households, it declined, from $15 385 to $14 635, because of changes in their make-up. The wave of property acquisition supported by the assistance programs of the 1970s drained the reservoir of tenants of those who wished to become homeowners, especially those with mid-level incomes. The proportion of tenant households earning incomes between $10 000 and $25 000 dropped from 53% to 44%, thereby increasing the proportion of low-income households from 29% to 35%. Among homeowners, the median income rose from $19 205 to $25 117, because of the particularly strong growth of households with over $25 000 in income. From 33% in 1971, they shot up to 50% in 1981 (see Table 57).

In short, between 1971 and 1981, homeowner ranks grew, attracting the wealthiest tenants. Every time a tenant household acquired property, it left behind a less well-off group, so the gulf continued to widen between the two categories, separating tenants even more from owners as a result. In 1971, the difference in constant dollars between the median incomes of owners and tenants was $3 800. In 1981, the differential was over $10 000.

The average cost of housing also increased between 1971 and 1981. The average rent for a new dwelling went up from $23 000 to $30 000 in 1981 dollars, an increase of 30%; this is significant when we consider that we build more small dwellings today. Considering the slower rise in the income of tenant households over the period, the increase, although fairly slight, has an effect on the ability of tenants to afford new rental housing.

The average price of owner-occupied housing increased in constant dollars from $31 680 to $51 890 between 1971 and 1981, a jump of 64%. Although the cost rose faster than homeowner income, the financial repercussions are uncertain. Owners enjoy higher average incomes than tenants and can thus spend more on housing. In addition, it must be considered that part of this expenditure, the repayment of capital, constitutes savings, and in the long term their housing costs will go up less quickly than their income.

Finally, it must be stressed that there is a variety of prices on the housing market, both owner-occupied and rental, so that most consumers can choose their mode of tenure without spending more than 30% of their income. In 1983, 42% of tenant households could buy a $30 000 small used single-family house such as those found outside the large urban centres. Likewise, co-ownership in an existing building of two to five dwellings, which costs about $15 000, is accessible to 64% of tenant households (see Table 58). However, problems of information and financial security often hamper these choices, as do the inadequate legal situation of undivided co-ownership and the moratorium on conversion of existing buildings into condominiums.

Changes in access to new housing

For an overall assessment of the health of the housing scene, a general indicator is sometimes used: the proportion of households that can acquire new housing. This indicator reflects the capacity for autonomous renewal of the housing stock, both quantitatively and qualitatively (see tables 59 and 60).

The average monthly charges (principal, interest, taxes, heating and maintenance) for acquiring a new owner-occupied home went up from $211 to $727 for households already owning a house, and from $225 to $790 for tenant households purchasing a dwelling for the first time. Thus to acquire a new property in 1983, tenants had to have an income of over $30 000, which is the case for 15%. In 1971, the proportion was 35%, for a $9 000 income was sufficient to buy a new house. Among homeowners, the proportion has also declined, but far less noticeably: 53% in 1971 and 45% in 1983, the income required rising from $8 450 to $29 095. Thus the number of potential buyers is relatively lower than it was early in the 1970s.

In the case of new rental housing, on the basis of an average price of $11 000 in 1971 and $30 000 in 1983, a decline in the number of tenants able to afford it can also be observed. The income necessary to rent such dwellings has gone up from $6 235 to $18 680, bringing about a drop in the potential clientèle. In 1983, 42% of tenant households could aspire to new rental housing without spending more than 30% of their income; in 1971 the proportion was 58%.

Access to new housing is obviously closely related to fluctuations in interest rates. In 1981, when interest rates soared to unheard of levels, a distinct drop in potential demand for new housing could be noted. For example, only 9% of tenant households could buy a new house without having to spend more than 30% of their income. And 32% of tenants could rent a new unit in the same conditions.

But there are other factors aside from interest rates that have the effect of reducing the number of tenants who can become owners. The price at which new housing is offered is just as decisive. As shown in Table VI, at an

interest rate of 14%, a new house at an average price ($55 000) is accessible to 145 000 tenant households. If the rate is lowered to 10%, 91 000 more households can afford it. If the interest rate stays the same, the result is almost identical, that is 85 000 more households, when the price of new housing is brought down to $45 000.

Thus the possibility of attaining new housing declined in relative terms during the 1970s, with a smaller proportion of households being able to acquire it, particularly among tenants who generally speaking became poorer compared with homeowners. This relative impoverishment of tenants is a determining factor in the evolution of the rental sector and the new housing market.

Of course, even though the potential clientele for new housing has dwindled in relative terms, it remains fairly sizable in absolute numbers. In 1983, for example, 167 000 tenant households could buy an average-price, new single-family house, as could 540 000 homeowners. However, the comparative shrinkage of the potential demand doubtless calls for more varied and better adapted marketing strategies and products to attract a satisfactory number of clients.

Household Mobility and Adjustment to Housing Conditions

While a certain stability can be observed, or at least a slow evolution, in housing conditions for various types of householdsthis relative overall stability conceals a constantly changing picture: many thousands of individual adjustments are made every year. In some cases, owner households are able to adjust their housing consumption without moving, by improving the quality of their home, or increasing or decreasing the number of rooms, if not the actual living area. But more often tenants and homeowners try to improve their housing conditions by residential mobility, i.e. by moving. Furthermore, adjustment by some is conducive to adjustment by others.

Residential mobility

In our society, residential mobility is very widespread; it even has its folklore inspired by the moving-day fever of July 1. According to statistics from the last census, between 1976 and 1981 almost 45% of Québec's population moved at least once. The proportion is higher still in metropolitan regions and lower in rural areas. It is also higher on the island of Montréal than on the outskirts (see Table 61). Another indication of the extent of mobility is that between January and August, 1983, 14% of households receiving family allowances moved, 2% changing regions (see Table 62).

Tenants are more inclined to move than homeowners. However, the latter do not remain in the same house all their lives. In general they stay in one place for an average of 6.5 years, compared with 3.3 years for tenants (see Table 63).

Moving frequency varies in terms of age. Older households tend to be less mobile. Even if such households often wish to change, a number of factors contribute to their hesitation, for instance, a physical inability to face the effort of moving all their furniture and the attraction or habit of a home in which children have grown up.

Furthermore, moving often represents an appreciable expense, especially for low-income households, not so much because of the transportation costs involved as because of the costs of moving in: painting, curtains, furnishings etc.

Various demographic factors combine to foster mobility. Let us recall a few outstanding facts. In 1981, the number of divorces was over 19 000. For the same year, there were 41 000 marriages, 5 600 of them remarriages. In addition, we must also consider the number of de facto unions which, according to some estimates, come to about 20% of the marriages. These events are often accompanied by a change of residence.

Table VI
Estimate of number of tenant households able to acquire owner-occupied property without their expenditure-to-income ration exceeding 30%, according to purchase price and mortgage interest rate, Québec, 1983

Mortgage interest	Purchase price							
	$ 30 000	$ 35 000	$ 40 000	$ 45 000	$ 50 000	$ 55 000	$ 60 000	$ 65 000
10%	513 000	449 000	388 000	342 000	292 000	236 000	202 000	167 000
11%	491 000	425 000	370 000	315 000	262 000	213 000	177 000	154 000
12%	468 000	399 000	346 000	289 000	231 000	192 000	153 000	128 000
13%	446 000	373 000	321 000	262 000	209 000	167 000	136 000	109 000
14%	424 000	358 000	296 000	230 000	187 000	145 000	119 000	92 000
15%	401 000	337 000	272 000	211 000	167 000	132 000	103 000	81 000
16%	378 000	315 000	249 000	192 000	148 000	117 000	90 000	70 000
17%	365 000	292 000	221 000	171 000	133 000	99 000	78 000	59 000
18%	346 000	270 000	204 000	153 000	119 000	89 000	68 000	51 000
19%	327 000	248 000	187 000	140 000	105 000	79 000	59 000	45 000
20%	307 000	225 000	169 000	126 000	94 000	69 000	51 000	37 000
21%	288 000	210 000	155 000	113 000	84 000	61 000	44 000	31 000
22%	269 000	194 000	140 000	100 000	74 000	53 000	37 000	26 000

Sources: Ménages selon la tranche de revenu et le mode d'occupation du logement (study carried out for the MHPC on the basis of 1981 census data), and survey of consumer finances.

Hypothesis: 1983: — Cash: 10%, Mortgage: amortization over 25 years; Taxes: 3% of value of dwelling; Heating and maintenance: $94/month.

Other moves can be explained by the desire to improve living conditions or the need to adjust to a situation. In particular, an increase in income often encourages households to look for a dwelling which suits them better. Conversely, a decrease in income (due to a job change or loss, or to retirement) often obliges households to look for a cheaper home which, while suitable, does not meet all their aspirations. Obviously changes in income govern everyone's consumption.

According to the survey of household expectations carried out in March 1983, 57% of the tenant households hoped to become owners within a few years. If all these households realized their dream, this would mean that the percentage of homeowners would go up to 78% of households.

Irrespective of their tenure, 41% of households would like to change their residence within a few years. Over 50% of them (61% of households where the age of the subject is under 45) want a larger dwelling. On the other hand, nearly 23% want a smaller one (51% of the households over 45).

It is worth noting that 35% of those who wish to move want a new house, that is, 42% of the present owners, 41% of households with an income over $30 000 and 44% of those whose head is between 35 and 44.

The extent of mobility, particularly in the case of forced moves, is partly dependent on the evolution of the local economic situation. Plant closings and moves for employment reasons surely explain a fair proportion of the migration from one region to another. Between 1976 and 1981, 32 census divisions recorded a net positive migration while 44 others counted a loss. With the exception of the central zones of metropolitan regions (island of Montréal, Québec, Hull) the greatest losses were concentrated in regions depending on a closed economy: Saguenay-Lac Saint-Jean, the Côte-Nord, the territories of Nouveau-Québec) (see Table 64). On the other hand, the most substantial gains were found in the census divisions around Montréal and Québec (Deux-Montagnes, île Jésus, L'Assomption, Laprairie, Lévis, Rouville, Saint-Jean, Terrebonne, Vaudreuil, Verchères). The latter trend indicates that the attraction of the suburbs was still strong until 1981. However, new phenomena can be discerned, particularly in the Montréal area. Probably thanks to the efforts of the city of Montréal under Opération 20 000 logements, the city's share in the number of housing starts in the metropolitan region definitely went up, from 12% in 1976 to 33% in 1983 (see Table 65). Of course, these figures do not necessarily show a very strong move back to town and we shall have to wait to see whether they really mark a radically new trend. We must not forget that even in past decades people came back to the downtown area, but in far smallernumbers than those who left. For example, during the 1976-1981 period, 78 150 persons left Montréal for the suburbs and 47 640 did the opposite. We must also stress that this net loss of about 30 000 persons is smaller than that of the first half of the 1970s (approximately 96 000 persons) (see Table 66).

In short, residential mobility is the way preferred by everyone for adjusting to housing conditions. When it does not entail a marked deterioration in the situation of households, it may make a positive contribution to the evolution of housing conditions for society as a whole. Generally speaking, the residential mobility of households gradually structures and modifies their distribution within the urban area.

Interdependence of residential behaviour

The manner in which each household lives in its dwelling, and in particular the way in which it moves from one residence to another, has an effect on the use of housing by all other households. From several points of view, the behaviour of some is not entirely independent of that of others.

For example, the quality of the residential environment depends in part on the neighbours and what they do with their home. In urban communities, on the neighbourhood scale, the criteria on which this quality is based are a source of segregation. But this phenomenon, although it does exist, is not as prevalent in Québec as it is in many other North American cities.

When some improve their habitat by moving to new housing, the houses vacated offer others an opportunity to improve their lot. Over the past two decades, the marked movement toward property acquisition has had this effect and has surely contributed to improving the situation for many less fortunate households. An available supply of new dwellings at affordable prices remains a strategic variable in the evolution of housing conditions in general, as long as the total number of households continues to grow.

Changes in the attraction offered by certain zones produce population movements, and we often see the fairly rapid replacement of certain social categories of households by others. For example, at present this can be observed in certain well located rental neighbourhoods in the Montréal area. A combination of the conversion into condominiums and restoration is attracting a younger, better educated and wealthier public. Tenants with modest means and in a weaker market position are gradually shut out. The housing stock improves and the number of homeowners increases, but some of the displaced tenants lose out, for they often can find no housing with the same quality-to-price ratio.

Interdependence of residential behaviour then produces varied effects in line with the circumstances. We have pointed out the positive impact a sustained pace of new property acquisition may have. On the other hand, restoration does not necessarily produce such generally positive effects, since it does not add new dwellings, and particularly if it is accompanied by a shift of population. From this point of view, it becomes more significant if the total number of households continues its sustained growth. In the latter case, the undeniable gain in physical quality in the restored zone may

be reflected in an acute financial problem for those who are unable to pay and are left out. The extent of the effects depends in particular on the local housing market situation.

Housing consumption, in a word, cannot be reduced to the purely individual level; at least in town, the neighbours on the same floor or the same building, as well as previous occupants, are always very much present.

Contracts Related to Acquisition and Occupancy of a Dwelling

When a home is bought, rented or occupied, households are called upon to conclude various forms of contracts: lease, contract to purchase a new or used dwelling, mortgage loan, commission to a real estate agent to sell a house, service contract entrusted to a notary when a house is bought or sold, or a mortgage loan taken out, residential insurance contract, etc.

They are generally not very familiar with these contracts which are frequently complex and involve considerable sums. It is therefore important to ask whether, in the present context, they have the means of entering into contracts in an enlightened fashion.

Often these agreements bring together a layman and a professional contractor (builder, promoter, lender, real estate agent, professional, insurer), who are unequal partners with regard to information and economic power.

A fair proportion of the sales contracts for used houses are concluded between individuals, that is, between two parties neither of whom, generally, is any better informed than the other, and who are therefore in positions of comparable strength. Households are then often dependent on the services of real estate brokers and notaries.

Renting a dwelling

Contracts for the rental of a dwelling, room, mobile home or land intended for the installation of mobile homes are regulated both as to form and as to content. The rules to ensure standardization of these contracts are found in the legislation respecting rental housing. They will be analysed in greater detail in the section dealing with harmonious relations between tenant and landlord.

Buying a house

Homeowners move less frequently, on average, than tenants, but when they do so, the decision becomes a major undertaking since their principal property is involved. Even if they call on the services of intermediaries, they may still seem overwhelmed by the transaction, for want of sufficient information

on the market or adequate knowledge of the different mechanisms governing the operation. The situation differs somewhat depending on whether the transaction covers a new house or an existing one.

Buying a new house or one entirely renovated by a contractor

Like every consumer of goods and services, the household that is party to a real estate transaction depends on the information furnished by the vendor in the form of advertising or representations. Problems may occasionally arise if the information is inadequate. For example, contracts may be signed on the basis of misleading representations or advertising, unfulfilled promises regarding the quality of materials used, time of completion, characteristics of the house, loan conditions, grant eligibility etc. Recourse is provided for in the Civil Code in the case of fraud or false representations. However, such recourse is formulated in general terms and it often appears risky for the consumer to attempt to obtain compensation.

A person buying a house often has little knowledge of these complex transactions recurring infrequently. He may find he is bound by an offer to buy which is incomplete as regards the contractor's obligations (e.g. quality of materials, time of completion), sometimes accepted under pressure from the salesman or on the spur of the moment. In view of his inexperience, he often has no choice but to trust to the contract which has been left entirely to the saleman to write.

When a new house is purchased, the guarantees offered the buyer vary depending on whether the house is already built or is to be built. If the building is already complete, the salesman's warranty is limited to hidden defects, that is, defects existing before the sale, unknown to the buyer, which he could not see on careful examination, even if it is a matter of major construction flaws. If the building is still to be put up, the buyer benefits from wider guarantees: against major construction defects and bad workmanship whether or not he is aware of them. This difference is difficult to justify when it stems from the purchase of the model house rather than a house to be built.

A contractor may become insolvent. The buyer's recourse for completion of the work, recovery of down payments or fulfilment of warranties will very probably turn out to be illusory. Furthermore, subcontractors unpaid by the contractor may register privileges (liens) 30 days after completion of the work and claim payment from the owner. Purchasers are not always informed by notaries of the risk involved in potential registration of privileges by subcontractors or of the means of protecting themselves.

During the 1970s and more recently, households experienced this type of problem in connection with the insolvency of builders: time limits for

construction not respected, building incomplete or interrupted for want of credit, risk of deterioration of the work already begun. Some households found themselves faced with the same problems even when the house was almost or entirely paid for.

These problems have been attenuated by warranty plans developed by professional builders' associations. The plans offered by these associations guarantee the repair of hidden defects and major building flaws as described in the plan when the contractorsubscribing to the plan does not respect his obligations. The down payments made by consumers are also secured against embezzlement and misappropriation of funds up to $20 000, as well as completion of the work not done if indicated in the certificate signed when the purchaser takes possession of the house.

However, such plans are not compulsory for all residential construction, and the legal obligations of the contractor go beyond those specified in the plan. However, since lenders increasingly demand this guarantee, the CMHC makes it a condition for granting loan insurance and it is an eligibility requirement for the CORVÉE-HABITATION program, 22 000 dwellings have been covered by the plans of the Association provinciale des construc-teurs d'habitation and the Fédération de la construction du Québec, that is about three-quarters of the house and condominium starts in 1983.

In any event, while warranty plans have improved the situation of buyers, the question of their protection, which has been the object of a number of recommendations, bills and working papers since the 1970s, remains and assumes even more importance because of the current more complex real estate transactions, such as coownership purchases.

Purchase of an existing dwelling

Most existing dwellings are bought and sold by individuals, frequently calling on the services of a professional go-between. In such cases, neither party has an economic advantage over the other, or greater experience, and the rules of the Civil Code respecting obligations and sales govern these contracts. Buyer and seller must answer for false representations. The seller must guarantee the buyer against hidden defects in the house existing at the time of the sale. He even owes this guarantee against defects unknown to himself at that time. This guarantee can only be invoked by the buyer within a reasonable time after the sale, that is, a relatively short period. In transactions between individuals, the risks of monetary losses for non-performance of obligations by one of the parties are limited and shared.

Real estate broker services

When an owner wishes to sell his dwelling, he may look after allthe required procedures himself and find a buyer, or call on the services of a broker or his real estate agents. It is estimated that, in 1982, about 40% (in value) of the transfers of ownership by real estate sales took place through brokerage firms. In September 1983, there were nearly 900 firms of this kind employing close to 7 000 agents (about 9 000 jobs in all). The firms with a network of branch offices are the largest, although franchises created in the past decade group 10% of the agents. There is still stiff competition in some areas, but Québec as a whole is dominated by five large firms employing almost half the real estate agents. In 1983, these agents collected 65% of the $153 million paid in commissions.

Information about the resale of dwellings comes primarily from real estate boards (nine in all) grouping brokers on a regional basis and from the Association de l'immeuble du Québec which takes in the whole province through its Multiple Listing Service (MLS). The data describe the buildings brokers are entrusted with selling and, incidently, are used for compiling statistics on the major parameters of market trends (volume of transactions and average price). Although such statistics do not cover all the transactions listed with the registry office, they have to date been an invaluable source of information for owners wishing to sell and buyers looking for a home.

In recent years real estate boards have made definite efforts to improve the quality of services offered by their members, among other things, through the adoption of a code of ethics. However, further improvements would be desirable, especially if we take into account the high cost of their services. When a homeowner entrusts a broker with a contract to sell or rent his house, he is not always informed precisely of the broker's obligations and the services he is supposed to render. There is no doubt that the contract should be more explicit. In addition, new forms of ownership are now common on the market, increasing the need for better training for brokers.

Another type of intermediary has also appeared on the market in recent years: rental agencies who provide tenants with lists of dwellings for rent. Problems have arisen with regard to the quality of information they offer but this part of their activity is not covered by the rules of the Consumer Protection Act respecting advertising and information.

Professional services: notaries and land surveyors

Households have little knowledge of the services offered by the professionals involved in real estate transactions, notaries and land surveyors, primarily because they have few occasions on which they require such services and the professionals, to all intents and purposes, cannot advertise their services by reason of regulatory restrictions.

Moreover, the cost of such services largely escapes the effects of competition. Aside from the fact that advertising of the price of notaries' and land surveyors' services is prohibited, minimum rate scales set their fees. In addition, the buyer is not always free to choose his notary even though he must assume the cost of his services.

In their role as public officers vis-à-vis buyers who are parties to deeds of sale and mortgage loans notaries have a duty to offer advice. The question arises as to how far this duty should go. For instance, does a notary fail in his duty if he neglects to inform inexperienced buyers of the risks involved in the potential registration of privileges and of the means of protecting themselves?

Mortgage loans

When it comes time to choose the method of financing their home, households do not always have the information that would enable them to measure the advantages of doing business with one lender rather than another.

If an offer to buy includes a mortgage transfer, as is sometimes the case when a new house is to be built or an existing house is sold, the buyer, bound by his offer sometimes does not know all the conditions of the mortgage loan, in particular the penalties involved in early repayment.

If a buyer undertakes himself the procedure of finding a lender and decides to go looking for the mortgage that is most advantageous for him, to a certain extent he is obligated to this lender as soon as he applies for a loan, since his application involves expenses for assessment and investigation of his solvency. Furthermore, the loan offer made by the lender if he accepts the application does not cover all the conditions stipulated in the deed of loan. It is only when this is actually signed that the buyer learns of all the conditions of the contract, often through a very rapid perusal to avoid delaying the formalities. It is usually impossible to look for another lender at this stage.

In current mortgage loan practice, the contract is generally an agreement that leaves almost no room for negotiation. If the consumer's application for a loan is accepted, it will be on the lender's terms. In particular, mortgage lenders frequently require the borrower to pay a monthly instalment representing one-twelfth the annual real estate taxes levied on the mortgaged property. In this way they wish to protect their loan, which ranks after the privilege for municipal taxes. This practice offers lenders another sizable advantage, that of paying consumers interest equivalent to the rate paid on current accounts, that is about 3% a year, on the amounts they collect in advance for tax purposes, or to pay no interest at all, on the pretext that administrative costs justify the procedure. This requirement enables lenders to increase their liquid assets at very little expense.

Mortgage loans are granted at present for terms varying from one to five years. At the end of the period, the lender reserves the right to change the interest rate on the contract in line with market rate trends. The renewal notice includes a loan offer which may be accepted within a time limit set by the lender at this rate. In recent years, because of the instability of interest rates, certain lenders have shortened the renewal notice period to the point of doing away with it entirely, notice of the new interest rate being given to the borrower only when the term is up. But it takes time for find a new lender if the renewal offer does not seem acceptable to the borrower.

Finally, for various reasons the borrower may wish to change his mortgage contract or terminate it before term. This is the case when he sells his house and wishes to pay off the existing mortgage. It is also the case if he wishes to make an advance repayment on the principal or simply revise the contract because the interest is much higher than the market rate. Often, mortgage loan contracts cannot be revised before term. Repayments are authorized according to the good will of the lender. Shortterm mortgages attenuate this problem, as do open contracts which can be obtained at a higher rate. In a recent bill the federal government proposed that the borrower be permitted to repay his loan in advance by paying the difference between the rate of the loan and the market rate on the day of repayment, for the remainder of the term, taking into account the discount resulting from the advance repayment.

Residential insurance

Residential insurance, like insurance contracts generally, is very complex for consumers.

Since the contracts are not standard and offer variable coverage, it is often difficult for consumers to compare the different guarantees offered in terms of price and content. It is also frequently hard to compare the quality of services covered by the insurance. In its study of residential insurance published in February 1984, Protégez-vous illustrated, by giving price ranges, the need for knowing your precise house insurance needs and making a careful choice of policy, in view of the discrepancies in prices and coverage offered on the market. For the same coverage, one price may be as much as double another.

For example, according to the information gathered by the magazine, the premium for insuring a $60 000 owner-ooccupied house, with comparable coverage, may vary between $262 and $448 in the Montréal region, $208 and $425 in that of Québec and $302 and $756 in the rest of the Province.

The premium for a $60 000 multi-risk tenant's package may vary between $139 and $268 in the Montréal area, and $120 and $251 elsewhere in Québec.

With regard to the impossibility for certain households to take out house insurance, it seems that this problem which arose about 1975 in certain grey areas has been resolved thanks to agreements concluded with the Insurance Bureau of Canada (IBC). Complaints about a household's being unable to find an insurer are forwarded to the IBC, which takes charge of settling them. Cases that are not resolved are marginal. In 1983, there were 18 applications for insurance from persons who had been found guilty of arson, or for uninhabited houses.

Special problems come up in insurance for buildings held in co-ownership; one difficulty lies in the fact that each divided part may be insured separately; hence in the event of a claim there is a risk of proceedings and litigation. If there is collective insurance, the insurer may refuse to pay if one of the co-owners has not revealed an aggravation of risk. It is difficult to ensure that the building is repaired or rebuilt if one co-owner decides to collect the insurance; there is no obligation for the administrators of a condominium to take out insurance against certain risks.

Proposals intended to correct this situation may be found in Bill 58, An Act to add the reformed law of property to the Civil Code of Québec, introduced for first reading in 1983 by the Minister of Justice. They provide in particular that the syndicate of a co-ownership must take out insurance on the whole of the immovable, both common and exclusive parts, for an amount equal to the replacement cost of the immovable, except improvements made on exclusive parts, which may be insured by each co-owner. The Bill also provides for the obligation of the syndicate to take out third party liability insurance. Following a loss, the indemnity would be paid to a trustee or the meeting of the co-owners and used to repair or rebuild the immovable. Finally, non-observance of a condition of the insurance contract by a co-owner could not be set up against the syndicate if it suffers prejudice thereby.

Repair and renovation of a dwelling

Households that decide to undertake the repair or renovation of their dwelling may be faced with problems.

Residential repairs and renovation are the subject of many requests for information and complaints to the Office de la protection du consommateur. According to a survey conducted in the fall of 1983 among persons applying to its regional offices,to learn what consumers' housing concerns were, 69% of the complaints in this area involved home renovation.

When it is a matter of subsidized work and materials, insulation, conversion of heating systems etc., solicitation becomes pressing and is misleading about the cost of the work to be done and the conditions for obtaining grants.

Contracts concluded with itinerant vendors or door-to-door salesmen must be in writing. In other cases, no written document is required, which may become a source of conflict if the final bill differs from the verbal estimate furnished before the work, if the work takes longer than expected to complete, if the materials used are not of the quality promised.

Transaction costs

Real estate transactions involve a number of expenses. For the sale of a standard house whose price is $50 000 with a mortgage of $45 000, these costs total more than 10% of the price of the home. They are paid partly by the buyer and partly by the vendor.

The broker's fees are the highest, but they are negotiable; no minimum or maximum is fixed by regulation. They generally come to 6% or 7% of the three-selling price, which is equivalent for purposes of comparison to quarters of all the interest payable the first year if the interest rate is 13% on a $45 000 mortgage amortized over 25 years.

Professional fees also have to be paid: (a) to a land surveyor to establish a location certification. The costs vary between $250 and $400 ($125 to $300 for an update); a minimum is set by tariff, usually established by the land surveyor's fees proper to each service; (b) to a notary for the deed of sale and setting up the mortgage. In our example, these costs, calculated according to a degressive percentage of the value of the building, would be $650 for the first deed and $350 for the second if prepared by the same notary; these fees are governed by a minimum tariff approved by the government; (c) to the registrar, for registration of the deed of sale and mortgage ($12 per registration and $6 per notice of address), and more rarely for production of a certificate of search ($16 per certificate, $6 per entry in the past 30 years and $12 per entry prior to that).

The costs pertaining to obtaining a mortgage loan vary, according to the lender's practice, from $150 to $300.

Transfer taxes payable in a number of municipalities total three-tenths of 1% of the selling price on the first $50 000 and one-sixteenth of 1% on the remainder. In the above example, they come to $150. About 68% of municipalities have availed themselves of this taxation power, which brought in a total of $25 million in 1982. In itself, the tax does not seem to have any dissuasive effect on the volume of transactions.

On the other hand, an owner who sells his house before his mortgage is due for renewal will suffer a sizable penalty unless the purchaser takes over the mortgage. The penalty varies, depending on the lender and the type of mortgage.

Finally, loan insurance costs varying from 1% to 3% of the amountof the loan are required for loans equivalent to more than 75% of the estimated value of the house. In the example we have chosen they run from $450 to $1 350, depending on the percentage set by the insurer.

CHAPTER III

ACTION BY PUBLIC AUTHORITIES

To improve housing conditions, facilitate necessary adjustments between supply and demand and settle various problems of organization and operation in the sectors related to housing supply, the public authorities have initiated strong action in the housing field. Granting priority in each case to one of its aspects (economic, social or spatial), they have had an effect on its development. Governments and municipalities are concerned. The federal authorities have been involved since the Second World War, while Québec entered the picture in the 1970s, more particularly after 1976. For a number of municipalities, even outside the large cities, housing has become an area for specific intervention.

Division of Powers

Housing as such does not come under the jurisdiction of any one level of government. However, building standards, regional planning and development, determination of property rights andvarious contractual aspects of housing are the responsibility of the Québec government. Property and civil rights are under Québec jurisdiction (section 92, paragraph 13 of the BNA Act of 1867), as are all matters of a merely local or private nature (section 92, paragraph 16) and municipal institutions (section 92, paragraph 8). In addition, the Supreme Court, in a recent decision on the constitutionality of the Régie du logement,recalled that setting rents and regulation of relations between tenant and landlord come under Québec jurisdiction. The federal government has no specific responsibility in the housing sector. On the other hand, its jurisdiction over banking (section 91, paragraphs 15 and 16) enables it incidentally to regulate the contracts of these institutions, just as does its jurisdiction over interest (section 91, paragraph 19), certain provisions of mortgage loan contracts.

The federal presence in housing has been affirmed mainly by its spending power, through the aid it offers for financing home ownership according to certain specific conditions or standards. However, federal authorities could not really claim jurisdiction for regulating the whole sector on this basis.

Effective roles

Historically, federal action appeared with the Second World War. This action was intended first to increase home building by making it possible for war plant workers and veterans to buy a home with guaranteed loans, and facilitating private rental projects. Starting in the 1960s, the federal government diversified its action and the Canada Mortgage and Housing Corporation (CHMC) granted loans and subsidies for financing services in new

development zones and promoting renovation of older urban districts. Construction of public housing and financing of its operating deficits assumed greater importance. During the 1970s, the CMHC entered the development of assistance to cooperatives and non-profit organizations, as well as the field of grants for restoration.

Until near the end of the 1960s, Québec action was confined of offering aid to home ownership under the Family Housing Act and exercising a certain amount of control over rents. The creation in 1967 of the Société d'habitation du Québec (also known as the Québec Housing Corporation at that time) provided for greater involvement, particularly in the implementation of Canada Mortgage and Housing Corporation programs (urban renovation, neighbourhood improvement, low-rental housing). After 1976, this involvement developed at a more rapid pace. Joint projects under CMHC programs, for example the LRH, picked up and at the same time specific Québec programs were established: LOGIPOP, LOGIRENTE, LOGINOVE, the Home Ownership Assistance Program (HOAP), CORVÉE-HABITATION, Northern Housing and ÉQUERRE.

For their part, with few exceptions the municipalities confined themselves to taking part in government programs (LRH, renovation and restoration). However, the leadership role of the city of Montréal must be stressed, especially when it comes to restoration. It secured the powers necessary for such intervention as early as 1962.

In recent years, particularly since 1976, as Québec gave them the power through private members' bills, a number of municipalities began to play a more active role in the housing field, specifically by action in the real estate sector and by creation of nonprofit organizations. They became more concerned about housing and took new responsibilities in the field. To date, some 50 municipalites have entered the real estate field through land purchases and development, and resale to organizations, builders and individuals. These experiments have been conclusive in several respects.

It is difficult to make an exhaustive assessment of the housing action taken by the public authorities, its evolution and impact.The action has taken many frequently changing forms. It entered a housing market that was itself highly complex and evolving, only a few of whose general aspects appear in the available statistics. We present a summary picture, organized around three types of government action: regulations, fiscal incentives and financial aid.

Regulation

Regulation commonly refers to all the legislative or regulatory provisions that impose certain restrictions on the parties involved. It is examined in this very broad sense in the lines that follow.

The action that can be taken in the housing field is generally speaking subject to regulations that are often detailed and sometimes confused. The plethora of regulations is not surprising when we consider the number of parties involved, the variety of interests and the importance of housing in everyday life. Furthermore, the need for regulation is questioned less than certain specific provisions or conditions of application. The regulations deal with the qualifications, behaviour and contractual ties binding parties, on the one hand, and the physical structure and quality of the dwellings themselves, on the other.

Control of qualifications of parties involved and the cost of their services

Except when an individual homeowner rents or sells his house, in principle no one may offer housing services without being accredited. Admission to these areas of activity is subject to verification of one's qualifications or apprenticeship; this is the case for various professionals, brokers, contractors and specialized workers. In addition to an initial competence control, brokers and contractors are subject to a periodical solvency review on the basis of annual financial statements. This method of controlling solvency, without being complete since it does not cover all financial transactions, represents a minimum protection for clients.

After acquiring the right to act in their respective fields, the parties must abide by certain rules: codes of ethics and regulations respecting advertising for notaries and land surveyors, auditing of trust accounts for brokers and notaries, etc.

The price of services offered by notaries and land surveyors is protected by a minimum tariff set by their professional corporations and approved by the government.

The remuneration of real estate brokers is not set by law or regulation, but in fact they demand an almost uniform commission of 6% to 7% of the sale.

When it comes to building and renovation, the price of services is not fixed as such. However, the wages of workers are fixed by decree which affects the price charged by contractors. Residential construction and repairs are governed by the same provisions as the rest of the building trade. This can be defended in certain types of operation. There is no basic difference between the construction of a residential high-rise and that of an office building. Nevertheless, the construction and, in particular, the repair and renovation of small residential buildings are not carried out in the same conditions and do not involve the same risks. The sites are smaller, the work does not last as long and fewer workers are involved.

Standardization of rules has made it possible to stabilize the organization of work and relations among groups in this sector. But it has led to a separation of tasks and high hourly wages. This is not unrelated to the decrease in the number of owner-occupants who call on qualified workers for small repair jobs. Some observers are asking why new residential construction should be governed by the same working conditions as the industrial and commercial sector, but the question is even more pertinent when it comes to repairs. In addition to working conditions, for example, there is the issue of separation of trades. But in restoration, the services of people who can do a number of tasks are required.

Harmonious relations between tenant and landlord

In the rental sector, after the reform of 1973, Bill 107 was assented to in 1979 and finished codifying the main aspects of relations between landlords and tenants. These relations sometimes involve conflicts. The primary aim of regulation is to reduce such conflicts to a minimum by clearly setting forth the rules of the game, indicating the rights and obligations of each party and reconciling the power struggles in this sector. In essence, the regulatory process has pushed the standardization of contractual relations and maintained the principle of a form of government intervention in the setting of rents, sanctioned by Bill 96 in 1977.

Under this reform, the Civil Code regulates the lease contract, its form and content, spells out the obligations of both parties, sets rules regarding subletting, provides for nullity of certain abusive clauses, clarifies the recourses of parties if obligations are not fulfilled, in particular, that the tenant may deposit his rent with the court if the lessor does not carry out his obligations. The Civil Code also establishes the principle of the tenant's right to remain in his premises and sets forth in very precise terms exceptions to the principle, as a result of retaking possession of a building by a single owner or by undivided co-owners, or following a subdivision or change of purpose of a dwelling.

The regulations also apply to rooming houses, to mobile homes erected on a frame and to the lease of land intended for installation of mobile homes. Specific protective measures have been provided for tenants of such land to prevent the lessor from setting abusive conditions.

The law also provides for court intervention in setting rents if tenant and landlord cannot agree. The rent is then determined according to criteria fixed by government regulation.

It is important to stress the objectives and conditions of the rent fixing method decided on, for not all forms of rent control produce the same effects. The objective is not to prohibit justified rent increases, nor to control them all, but to prevent abusive rent hikes in the event of misunderstanding between tenant and landlord. In principle, the method does

not jeopardize the profit return of the rental investment. It allows all increases in operating costs other than financing to be fully covered by a corresponding rent increase, by taking into account the real costs in the case of taxes and insurance and indexing other expenditure items. It does prevent short-term fluctuations in interest rates from exerting their full immediate effect on rents. But by raising net revenue (mortgage costs plus cash position) in line with medium-term interest-rate changes, it permits this loss to be spread out. It seems that this manner of calculating acceptable rent increases has modified the behaviourof many landlords, particularly small property owners; it calls for a closer analysis of financing conditions when choosing an investment.

The Régie du logement follows market trends and grants increases averaging those observed. Those above the average can be easily explained since cases referred to the Régie are mainly those in which requests for increases are very high. It deals with proportionally more cases of large buildings where operating costs tend to be high because of the number of services offered.

The Régie set rents for about 2% of the housing stock (20 000 cases in 1982). But the parameters set by the State each year for fixing rents probably influence a large proportion of lessors since they are frequently used for reference in justifying a reasonable rate of increase.

The Régie also enforces provisions respecting the preservation of rental dwellings.

Demolition of housing is regulated. The Régie plays a supplementary role and intervenes only when the building is located in a municipality which has not adopted a demolition by-law. The city of Montréal has such a by-law.

The Régie makes a pronouncement on the advisability of demolishing a building at the request of a tenant who has received notice of eviction in view of its demolition. It must consider the interest of the public and of the parties, the state of the dwelling, the prejudice suffered by the tenant, the housing needs in the area, the possibilities of relocating tenants and the consequences of the demolition for quality of life. It may impose the conditions it deems just and reasonable, in particular for relocating a tenant and granting him damages. In 1982 the Régie received 66 requests dealing with demolition cases.

On the other hand, the criteria adopted by the municipalities are centred less on the preservation of rental housing and consider town planning, architecture, esthetics and the quality of the neighbourhood.

The sale of a building located in a building complex must also be authorized by the Régie on pain of nullity. The buildings in question are located near one another, and together include more than 12 dwellings

administered jointly and having a common annex, accessory building or part of the framework. The Régie must then consider various criteria and ensure that the rights of the parties are protected. The Régie's authorization may be accompanied by specific conditions intended to protect tenants and buyers of the building concerned. In 1982, the Régie received 63 requests to dispose of buildings in a residential complex.

Finally, to preserve rental housing, the law prohibits registration of a declaration of co-ownership without authorization by the Régie when a building involves a rental dwelling. This provision is not yet effective since the regulation prescribing the criteria to be observed to authorize conversion has still to be adopted.

If we consider the volume of requests addressed to it and the number of disputes it must settle, the Régie du logement, an easily accessible court, has generally fulfilled its role as a regulatory mechanism, undoubtedly with greater efficiency than would have been the case with other judicial bodies, in spite of the congestion that followed application of section 573 of the Municipal Taxation Act that made possible a rent adjustment after the tax reform. Its jurisdiction was challenged, but the Supreme Court of Canada, in its judgment of November 3, 1983, recognized the constitutionality of the Régie's judicial powers and its jurisdiction in fixing rents. With experience, improvements were made in various aspects of its administration: reduction of waiting periods and simplification of procedures.

In conclusion, experience in the rental sector shows that regulation of the parties involved must not be assessed solely in terms of the constraints imposed but also in terms of the benefits represented in bringing harmony to a whole sector.

Building controls

Regulations also affect residential buildings, the type of building and in particular the structural quality. Since they apply to both new buildings and existing structures, they may pose different problems.

New housing

Municipalities may restrict a type of building to certain zones in their planning by-laws with the object of minimizing the collective costs of development and creating high quality residential environments. However, sometimes the initial town planning choices have to be revised particularly because of changes in housing market trends. In this context, creation of original residential milieus, for instance more creative and concentrated in design, is probably less the result of regulation — prohibition of a given type of building — as of incentive measures and promotion of new kinds of habitat.

Regulation of new residential buildings, more far-reaching for those classified as public buildings within the meaning of the Public Buildings Safety Act (more than two storeys and eight dwellings), is in answer to objectives of public safety and health. In terms of these objectives, setting standards is generally accepted practice and very useful to the industry. To prevent a building from collapsing, burning down too quickly if it catches fire or jeopardizing personal health, no one disputes the need of standards for materials, framework and foundations, shell, mechanical or electrical systems. Nor does anyone now dispute the fact that specific standards should be decreed with regard to energy conservation and access to public buildings for handicapped persons.

However, the formulation and application of these regulations have developed partly in conditions of redundancy if not of confusion so that their validity, though accepted by all, is in some respects open to question. On the one hand, when it comes to elaborating standards, a number of agencies (federal agencies, Québec government departments and municipalities) put forward their own requirements or their own codes, which leads to an overlapping of rules and even contradictions. This situation is the source of delay and expense for promoters. Recent adoption of a new Québec code applicable to public buildings and work establishments, reproducing in substance the National Building Code (which Québec helped draw up), should be considered the first step in streamlining these regulations. On the other hand, to enforce these standards there is a host of inspectors (about 2 200 in Québec) working for federal, provincial and municipal agencies, and the same work site is visited by a number of them, causing unnecessary expense.

Existing dwellings

In existing dwellings, the objectives of safety, health and comfort are faced with additional difficulties. As far as safety is concerned, various measures, fire protection in particular, are imposed without any need to alter the building (for example, smoke detectors in certain municipalities). On the other hand, such changes become necessary if older dwellings are to comply entirely with the latest safety standards. The same difficulties arise if older housing is to meet every demand for modern convenience (fully equipped bathroom and kitchen). Some of these requirements are found in the housing codes adopted by certain municipalities. However, they tend not to be automatically applied and are often accompanied by restoration programs. As already noted, a dwelling may be deemed suitable without necessarily corresponding to new housing standards. Furthermore, there are no minimum standards determining whether a dwelling is habitable, other than public health regulations dating from the 1930s, but we cannot disregard court decisions respecting such normative concepts as habitability, maintenance, necessary repairs and peaceful enjoyment of the premises.

It is even more imperative than in the case of new housing that the advantages of any regulations applicable to existing residential buildings be weighed in consideration of the costs entailed.While it is true that our conception of comfort is evolving, it is desirable that we consider collectively the level of comfort wanted in terms of capacity to pay.

Table VII
Tax incentives: estimate of tax revenue losses by the Québec government in 1981 (in millions of dollars)

Encouragement to invest in individual property			Encouragement to invest in rental property				Total
Non-taxable capital gains	Non-taxable implicit income	RHOSP[1]	Capital depreciation		Soft costs		
			MURB	Other	MURB	Other	
385	360	30	14	14	14	8	
775			28		22		825

1. Registered Home Ownership Savings Plan

Tax Incentives

Canada's tax system has always been dominated by the federal government which has established its main policies. This situation is illustrated in particular by the fact that this government collects not only its own taxes but also those of the other provinces. Only Québec has its own revenue department responsible for the portion of taxes it collects. While this gives Québec a certain leeway, it has been common in the past to bring fiscal policy into line, in order to simplify taxpayers'lives. In keeping with this practice, in 1981, for example, Québec granted some $825 million in housing tax benefits, about the same as the amounts granted at the federal level.

Of these $825 million, only $80 million were explicit tax benefits in addition to the basic tax system. The present system includes implicit benefits, that is those that form an integral part of it. In 1981, these represented $745 million. Insofar as they are an integral part of the tax system it may seem inadvisable to equate them with a tax expenditure. Nevertheless, the tendency is more and more to view them in this light, since there is no equivalent in other activity sectors.

It will later be seen how these benefits are distributed. Butit should be stressed that about 1980 Québec began to keep its distance from the federal government, first with respect to the sales tax rebate, then in 1982 by abolishing the RHOSP and granting additional advantages to those who used their savings to build a home and, finally, by initiating its stock savings plan (SSP).

Governments grant taxpayers a number of tax benefits to hasten the achievement of objectives considered important, particularly in housing by encouraging home ownership and investment in rental housing. In doing so, they deprive themselves of tax revenues. These tax losses, irrespective of their advisability, may be accounted for under government housing assistance.

Measures to encourage investment in individual property

Owning one's own home is highly appreciated in Québec, as it is elsewhere. It offers undeniable advantages, that is, greater security of remaining in possession and occupancy, almost total freedom in planning and decorating (subject to complying with standards), medium-term stability and long-term reduction of housing costs, and the possibility of building up one's personal assets.

The high value placed on individual ownership explains why some of the most stable, important and commonly accepted tax measures favour possession of one's principal residence. In particular, it must be considered here that capital gains are not taxed.

When it is sold, the capital gains realized on a principal residence are not taxed, conferring a special tax treatment on the transaction. Such untaxed capital gains hasten formation of personal assets and often make it possible to up-grade housing quality since the owner can buy a home of greater value. In 1981, considering the average rate of increase in the value of owner-occupied housing, this capital gains exemption would have represented a loss for Québec's tax authorities of $385 million, supposing they had been taxed at the same rate as other capital gains, that is 50%, a benefit of $344 per owner household. The advantage rises with income level, from an average of $150 for households with incomes of $10 000 to $700 for those with over $50 000.

Furthermore, if acquisition of a principal residence is considered on the same basis as a normal investment, it must be observed that this residential investment enjoys another tax benefit during the occupancy stage. The advantages offered by such an owner-occupied dwelling if it were rented on the market would usually be worth more than the real costs of occupancy (capital, interest, taxes, heating, maintenance). This difference is equivalent to an implicit net income, and could be equated with a return on invested capital, which might then be taxed on the same basis as dividends on an investment in the securities market. Exemption of this implicit income leads to different treatment of the required savings of homeowners and the invested savings of tenants. It would have represented some $360 million for the Québec government in 1981. Although such calculations can be made to compare housing to other sectors in theory, it must be stressed that apart from the investment, other reasons motivate the acquisition of a principal residence.

This was encouraged between 1974 and 1982 by the Registered Home Ownership Savings Plan (RHOSP) which allowed taxpayers to deduct a maximum of $1 000 yearly from taxable income up to a total of $10 000. In 1981, this was reflected in a loss of about $30 million for the Québec government. This type of savings plan enabled many taxpayers to increase their down-payments. In 1982, the amounts accumulated had made up about 20% of the total downpayments made by new home buyers. But the RHOSP seems to have been used by some merely as a tax shelter. In December 1982 the Québec government abolished the advantage and offered considerable incentives to encourage taking out the funds invested in the plans. In spite of this action, there were still some billion dollars remaining in such plans in 1983.

Altogether, fiscal losses associated with measures to encourage investment in individual property cost the Québec government about $775 million in 1981.

Measures to encourage rental investment

In addition to direct subsidy programs, three important fiscalmeasures encourage investment in the rental sector. Capital cost allowances and soft cost deductions are implicit subsidies to residential owner-lessors. And the provisions that apply to Multiple-Unit Residential Buildings (MURB) were essentially designed to stimulate this sector.

The allowance for capital depreciation is the equivalent of a tax expenditure, for the rate generally used, 5% of the undepreciated balance is excessive in relation to the economic value of the building. However, any excessive depreciation becomes taxable when the building is sold. This allowance is thus more a tax deferral, but remains an incentive to invest in rental residential buildings. The estimated cost of this measure for the Québec government in 1981 was $28 million, that is $14 million for the MURB category and and $14 million for other rental units.

Another measure implicitly favouring investment in rental building construction is the deduction of certain soft costs. Until the McEachen budget of 1981, the Income Tax Act allowed deduction as current expenditures of certain costs incurred before or during the construction period, such as promotion costs, legal costs, mortgage costs and taxes. Until 1981 these costs, estimated as an average of 20% to 25% of the total cost of a residential rental investment project, were transferable from a real estate promoter to the investor. Immediate deduction of these soft costs enhanced the attractiveness of the investment by increasing the negative cash picture for the early years of operation. In 1981 this deduction would have occasioned a tax expenditure for the Québec governemnt, whose legislation was based on that of the federal government, of about $22 million, $14 million for MURBs and $8 million for other rental units.

Table VIII

Various housing assistance and improvement programs in Québec, 1968 to 1984

The MURB tax measure consisted in being able to apply to other sources of income the capital cost allowance in addition to the deduction for soft costs. Between November 1974 and December 1981, except a short period from December 1979 to October 1980, when it was suspended, the MURB provision was used for close to 50 000 dwellings in Québec. As we have seen, these buildings represented a fiscal loss of some $28 million for the Québec government, $14 million in capital depreciation and $14 million in soft costs.

This provision was a most attractive tax shelter for rental residential promoters and investors. However, according to some writers, among them Clayton for the CMHC and Dowler, who reviewed the analyses made on the subject, rental housing would probably have been built at approximately the same rate even without the incentives. In addition, the measure is criticized as not being an effective way to pass on the subsidy to tenants, the big winners being real estate promoters and investors. In 1979, it was found that two-thirds of the MURB tax claims were filed by individuals earning over $50 000 and that the amounts increased more than in proportion to income. In a word, the higher the taxpayer's income bracket, the more attractive the tax shelter became.

The tax expenditure associated with measures to encourage rental investment cost the Québec government a total of $50 million in 1981.

Fiscal incentives for both individual homeowners and rental housing represented a total loss of $825 million in 1981 according to our estimates. With little risk of error, it may be stated that the federal government's loss would have been in the same range.

Financial Aid to Housing

The contribution of fiscal measures is often unknown, because they form an integral part of the rules of the game. This is not the case for the various forms of financial assistance. When we speak of government aid to housing, we usually think of subsidies, even though as we have seen governments act in other ways. Subsidies remain a select means for governments to help solve housing problems or to influence behaviour in the sector.

Objectives and programs

The total amount in subsidies definitely went up in recent years, following the creation of new programs and the greater importance given to existing programs. There are three essential objectives: housing cost relief for households, expansion of housing stock and improvement of existing residences. While it may give preferred treatment to one of the three, a

program may also contribute to the others. For instance, construction of LRH to meet the needs of lower-income households increases the stock of rental housing at the same time.

Housing programs generally are marked by a certain form of instability. Some are short-term, either because they are designed to meet a temporary problem or because their effectiveness is doubtful and other formulas seem more attractive. Even more permanent programs have their parameters modified to take implementation problems into account or direct their impact.

Table VIII shows the programs brought into effect over the past 16 years. (For further details, refer to tables 67, 68, 69 and 70 in the appendix).

Confining ourselves to programs now in effect, we can discern the main lines of financial aid. The inventory is schematic but program evaluation is tending to become more systematic and an integral part of the implementation process. Some programs have been in effect for only a year or two and the detailed assessment of their first phase is not yet complete. Our inventory examines each of the main programs from the following points of view:

- Equity: Who are the beneficiaries? Do all potential beneficiaries receive assistance (horizontal equity)? Is the assistance proportional to needs (vertical equity)?

- Real results: What are the results of the program for each individual? What changes in housing conditions have been obtained and what is the comparative cost (efficiency)?

- Impact: What is the program's impact, its indirect effects on the whole of the housing market? Does it have spread, demonstration or backwash effects? Are some types of housing preferred to others?

- Cost: Are cost increases readily justified?

- Beneficiary participation: Does the financial aid require a contribution by the beneficiary? Does it mobilize individ ual and community effort and initiative, or does it lead to complete dependency on the State?

The brief review of programs that follows has been carried out with reference to this check-list of questions.

General housing assistance programs

Certain programs have a two-fold purpose, that of ensuring an affordable housing supply and offering financial assistance for occupying a dwelling. Under this category come the LRH, aid to non-profit organizations (or corporations) and cooperatives, and when required, rent supplement programs.

LRH

It must be specified at the outset that low rental housing is a shared-cost program of the federal and Québec governments. The SHQ owns and managers the LRH built in Québec since 1974, while the CMHC acts as lender and mortgage insurer. They share the operating deficits, that is the difference between economic and social rents. Municipalities also assume part of the cost, but their contribution is largely recovered since Québec has made all government buildings subject to real estate taxes. The LRH units are assigned to low-income households and primarily to elderly persons, who make up 56% of the present occupants. Households experiencing particular housing difficulties are eligible, whatever the problem, overcrowding, physical quality or capacity to pay, if they make the situation known by applying to a municipal housing bureau (MHB).

Non-existent in 1968, there were 20 000 units in stock in 1976 and 45 000 in 1983. In this solution, although it increases the stock of rental housing, lies a problem of horizontal equity, since households in equal difficulty cannot all be treated the same. This problem is clearly illustrated by the long waiting lists of an estimated 35 000 households.

To date these lists have been drawn up according to methods and criteria which varied from one municipality to another and figures must therefore be interpreted with care. On the other hand, it is not surprising that they are long, for LRH offers those who have very little high quality dwellings at prices comparatively lower than what they occupy on the private market.

Apart from the quality/price ratio, other reasons explain the attraction of LRH. In some communities, particularly small towns and rural parishes, these units have become a sort of symbol of achievement in terms of planning and services.

With regard to individual housing conditions, LRH is a substantial improvement because of above-average quality, recent construction, high standards and permanent maintenance. It is well within the capacity to pay of even low-income households since the rent ceiling is set at 25% of income. This year the average LRH rent paid is $170 a month, while the economic rent (which would meet all costs) is $442. Social aid recipients in particular (26.5% of LRH tenants) pay an average rent definitely lower than social aid recipients generally pay on the private market ($120 as against $173). The quality/price ratio enjoyed by LRH tenants cannot be compared with that of the same clientele in the private sector. Moreover, tenants automatically enjoy a dwelling of a size suitable for the number of persons in the household, and since it is difficult to change dwellings within the LRH, some even enjoy a kind of overconsumption.

To the extent that LRH has been developed almost exclusively by construction rather than purchases, it has helped increase the rental housing stock. In some places, rural communities anddistricts in large cities, such units have sometimes been the only net addition of rental housing and have relaxed the demand for cheap private dwellings. Over the past five years, LRH has accounted for over 20% of the rental housing construction.

LRH program costs depend on the number of homes rented and the average deficit per dwelling (difference between the rent charged and the economic rent). The deficit rises if tenants are poor and construction and operating costs high. As the economic rent is not fixed in terms of the market, but only in line with operating costs and amortization of mortgage loans, the deficit tends to decline with LRH stock age. It comes to $180 a month per dwelling for units built in 1971, and slightly over $500 for those built in 1982. On the whole, there is an average monthly difference of $272 per unit between economic rent and rent paid.

In 1982, the average economic rent of LRH was $420 a month compared to $275 in the private market as a whole. This difference can be explained largely by the recent construction and high quality of the stock. Obviously, if LRH were developed from existing buildings or according to lower standards, the average deficit would be less.

Because of the advantages they enjoy, LRH tenants are subject to requirements unknown to tenants in the private market, income checks in particular. On the other hand, unlike other tenants,they are asked for their opinions on the operation of the building in which they live. In addition, since 1980 a ministerial directive has stipulated that two of the seven members of the municipal housing bureau's board of directors must be elected from among LRH tenants and that two others must come from socio-economic groups and representative community organizations. The financial aid offered to the LRH tenant committee is evidence of this encouragement to participate in the community.

Table IX
Number of LRH units, total population and LRH per 1 000 inhabitants in Ontario and Québec, 1975 to 1983

	1971	1976	1981	1983
Ontario				
Number of LRH units	41 000	75 000	84 000	84 000
Population	7 703 000	8 265 000	8 700 000	8 878 000
LRH per 1 000 inhabitants	5,3	9,07	9,65	9,46
Québec				
Number of LRH units	4 000	20 000	40 000	45 000
Population	6 027 000	6 235 000	6 359 000	6 408 000
LRH per 1 000 inhabitants	0,6	3,20	6,29	7,02

Sources: Ontario Municipal Board, raw data on low-rental housing. Ministère de l'Habitation et de la Protection du consommateur, raw data on number of LRH units. Statistics Canada, 1971, 1976 and 1981 censuses and Population Projection for Canada, 1976 to 2001.

Finally, it should be noted that despite recent progress, Québec has relatively fewer LRH units than Ontario. If the Ontario ratio of LRH per capita is applied, Québec should have a stock of about 60 000 low-rental dwellings, whereas the actual figure is 45 000. The gap is particularly significant in that it deprives Québec of federal aid, set at 50% of the LRH operating deficit. This represents a loss of about $30 million a year for Québec, the equivalent of half the operating deficit of some 16 000 dwellings. It should be stressed however that since 1976 the difference has been reduced considerably. As shown in Table IX, in 1976 the number of LRH units per 1 000 capita was 9.07 in Ontario compared to 3.20 in Ontario, while in 1983 it was respectively 9.46 and 7.02. In addition, since 1979 there has been more cooperative and non-profit housing created in Québec than in Ontario.

Rent supplement

The rent supplement for tenants of cooperatives and non-profit organizations or corporations (NPO, NPC) resembles the LRH formula. It covers 90% of the difference between the monthly rent charged by the owner and the household contribution as established under the regulation governing LRH rentals. The difference is paid to the owner. In principle it is a shared-cost program. In practice, the federal government demands that Québec pay a share equivalent to its own for projects financed under section 56.1 before sharing rent supplement costs.

In 1982, close to 3 800 tenants of cooperatives, NPO or buildings belonging to the CMHC benefited from a rent supplement averaging about $130 in value. This subsidy is less than the average LRH deficit because the housing stock concerned is generally older and lower in quality.

This program has a very satisfactory effect on beneficiaries' housing conditions, but the rent supplement poses the same problems as the LRH program, since not all low-income households can benefit because of the number of dwellings available. On the other hand, tenants are selected less openly than for LRH, since it is the owner organizations that recruit them. In relation to the whole potential clientele, the chance of benefiting from this form of aid is even more uncertain than entering a low-rental unit. However, the assessment must be positive since creation of an NPO or cooperative is a community initiative in answer to the needs of less fortunate households.

Cooperatives and non-profit organizations

As we have mentioned, housing cooperatives and non-profit housing projects have multiplied in recent years. To foster the development of cooperatives, Québec offers the additional incentive of its LOGIPOP program, which subsidizes starts, capital and financing of a groupe de ressources techniques

or technical resources group (GRT). Since cooperatives and NPO are sometimes presented as an alternative to public housing, and they are subsidized under the same federal program (s. 56.1), a summary assessment is important.

Like LRH, cooperatives and NPO do not rest on a criterion of horizontal equity in their present state of development, since the tenants subsidized represent only a minority of the households in the same income bracket. Unlike LRH, they also pose a problem of vertical equity: the assistance is not in proportion to income, although for some beneficiaries the federal last resort aid program may attenuate this lack of equity.

According to a survey conducted in June 1982 on the island of Montréal, the average household income in housing cooperatives was $14 887 in 1981. At the same time, according to an estimate made by the CMHC in its publication Section 56.1 Non-Profit and Co-operative Housing Program Evaluation (NHA, Nov. 1983), the average income of tenant households in Québec whose head was 64 or under was $21 578. But more than 90% of the heads of households living in cooperatives were under 65. This means that Montréal's housing cooperatives attract mainly those households with below-average incomes. Other data from the same survey corroborate this finding. Nearly half (46.2%) the households living in cooperatives belonged to the low-income category as used by Statistics Canada. Finally, 55.9% of the households had incomes of less than $15 000 in 1981.

Compared with other cities in Canada, Montréal's housing cooperatives draw a clientele that is distinctly less well off. According to a survey by the Co-Operative Housing Foundation of Canada in 1981, the average income of housing cooperative members in Toronto and Ottawa was $18 862 and $20 400 respectively, substantially higher than the average given above for Montréal, that is $14 887. These differences stem essentially from the fact that in Montréal, as in the rest of Québec, cooperatives work mainly by purchasing and restoring buildings, incorporating the present tenants, whereas elsewhere in Canada housing cooperatives turnmore to new construction.

We do not have sufficiently precise data for Québec as a whole. In addition, the survey mentioned above is already three years old. It would therefore be unwise to extrapolate the results for the whole of Québec for 1984. However, the weight of the island of Montréal among Québec's housing cooperatives and reports from other regions suggest that, compared with other provinces, the cooperative housing movement in Québec leans more toward the financially disadvantaged.

The program undoubtedly has a positive effect on housing quality. The new, renovated or converted dwellings subsidized are of good quality; and their cost suggests that the quality is even higher than for private housing of comparable age. The large amount of assistance and administrative

incentives do little to keep these costs down. Moreover, decorative elements are admitted which would be considered a luxury on the private market. In view of the assistance received, rents reflect a most attractive quality/price ratio, and are below the market average. The expenditure-to-income ratio is fairly low for certain households, for the rent paid is unrelated to income. In the cooperatives of Montréal, 33% of the tenants pay less than 15% of their income, while in one case out of five, the ratio is higher than 30%.

It should be stressed moreover that conversion of non-residential buildings continues to be considered a worthwhile way of creating housing cooperatives. In 1978 the first 60-dwelling complex was realized in this fashion; in 1982, there were 30 complexes with a total of 1 000 units. This figure includes a few LRH projects created from converted buildings.

Altogether, the program has a positive effect on the housing stock, contributing to its growth by new home construction and building conversion, and substantially improving its quality by restoration.

The cost of the federal program is considerable. The interest rebate is substantial, its rate being as low as 2% at the start. In 1982, on average this reduction was equivalent to a subsidy of $560 per month per dwelling in non-profit housing and $400 in cooperatives, comparable to the operating deficits for LRH built in the same period. At the moment, little control is exercised over clientele. However, the size of the subsidy would justify a more systematic check of beneficiaries of these programs.

This type of program has the advantage of requiring individual and community commitment, in particular for starting up and running the cooperative or non-profit organization.

Programs for special needs

In this group we place programs designed to improve the housing environment by tackling problems of older districts or those of the buildings themselves, and to alleviate financial difficulties tied to occupancy for certain households.

LOGIRENTE

In principle this entirely Québec program causes no vertical or horizontal equity problem. Since its inception, it has applied to one age group: people over 65. In the May 22, 1984 Budget Speech, the Minister of Finance announced the extension of the program to households between 60 and 64, starting this year. The LOGIRENTE program takes income into account. Since the rent and the expenditure-to-income ratio are essential parameters in calculating the benefit, above a decent income level a household is no longer eligible for the program. On the other hand, the very poor elderly households, who

deliberately under-spend to be able to meet their other essential needs, may in this way find they are excluded from the program.

With 20 000 beneficiaries, LOGIRENTE reaches a considerable proportion of the elderly for whom housing is a financial problem. According to the 1981 census, about 28 000 older households paid over 30% of their income for housing. The LOGIRENTE benefit contributed to reducing their expenditure-to-income ratio, which averaged 45% without the allowance and 37% with it. It may be affirmed that the program alleviates the severity of the financial problem for many.

The program enables the elderly to remain in their homes or find a suitable dwelling by lightening their financial load. Adding to their means, it makes it possible for them to face increases in rent. But, since they are often a captive clientele, fearing any move, some may be less reluctant to accept fairly hefty rent hikes because of the assistance offered by LOGIRENTE. In such a case, the program would have an inflationary effect. The annual rise in rents faced by beneficiaries, compared with the general trend (15.5% as opposed to 8%) urges us to pay particular attention to this aspect. In this regard, the situation should nevertheless improve with a new provision that does not require the tenant to have his application form countersigned by the owner.

The overall cost of the program depends on the actual clientele, rent increases and revision of eligibility criteria. So far, parameters have been adjusted every year to maintain the program's efficiency. Demographic forecasts suggest the clientele will grow as the population ages. The effect of this growth on program costs will however be partly compensated for by the fact that fewer people will reach retirement age with severely limited means.

LOGIRENTE helps improve housing conditions, but leaves it up to the persons concerned to choose and adapt their choice to suit themselves. It deals with only one aspect of course, that of capacity to pay. And to be be sure of remaining in their home, they may have to call on other material assistance measures.

Aid for handicapped persons

Since 1976, there has been increasing effort to consider the specific needs of handicapped persons in developing housing aid programs, specifically by measures to help keep them in society. The following is a brief summary of the main action taken in this regard.

1. In 1977, the proportion of low-rental housing intended for handicapped persons was increased, reserving 5% of the total number of units entered in each administrative region's programming for their use.

2. In 1979, age was dropped from the selection criteria list applying to handicapped persons wishing to obtain a LHM unit. Since 1981, additional weighting has been given to consideration of the architectural obstacles in their present home.

3. In 1979, the rent supplement program was extended to cover the handicapped for whom the rent ceiling was higher than for other beneficiaries.

4. In 1980, the Société d'habitation du Québec adopted a general policy of accessibility designed essentially to eliminate architectural barriers that hamper the mobility of certain groups of persons. These construction standards guarantee that an autonomous handicapped person can enter and move about in low-cost housing and buildings. In addition, expenses incurred by a MHB to adapt existing public housing to the needs of handicapped persons are eligible for government refunds as operating deficits.

5. Under the LOGINOVE and ÉQUERRE programs, the dwellings occupied by handicapped persons may be adapted to their needs even if no revovation work is necessary other than what they require to be habitable.

6. NPO units intended for handicapped persons are now eligible for the LOGIPOP program.

Property tax credit

Property taxes represent a major item in the cost of occupying a home (about 15% for tenants and 20% for owners in 1982). And since housing consumption is not really easy to cut back, as even low-income households must live somewhere, property taxes tend to be regressive, that is absorb a relatively greater portion of these households' budgets.

The property tax credit (PTC), initiated in 1979 just before the taxation reform, was intended to alleviate this tendency, raise the housing consumption capacity of low-income households and thus enhance the municipalities' taxation powers. Under this program, Québec refunds 40% of a household's property taxes up to a maximum of $400 after deducting 2% of its taxable income. By reason of the criteria applied, a very large clientele benefits from the property tax credit: over 700 000 taxpayers, or one in every theree. In 1980, 15% of the beneficiaries had a taxable income of over $20 000 and 18% a taxable income of under $5 000.

Because of the clientele reached, the program poses no problems of vertical or horizontal equity except for very low-income households who do not bother to file an income tax return. On the other hand, the effectiveness of the program is somewhat doubtful. The average annual refund represents only

half a month's rent: a little more for low-income households ($145 in 1980) and a little less for households with a taxable income of $20 000 ($81 in 1980), or an average of under $10 a month. Nearly half the beneficiaries, that is, those with a taxable income over $10 000, have an expenditure-to-income ratio of less than 25%. Below this income level, the ratio is higher and the PTC does little to help.

The PTC program is a costly one (coming to $120 million) but its overall impact seems rather slight. It attenuates the regressive nature of property taxes, but reduces the financial burden of occupancy very little. Furthermore, since the total amount of the program is scattered over a large number of taxpayers, its benefits tend to go unnoticed.

Before this program was set up, for four years there was a school tax refund for households over 65 exclusively. Under this program, tenants could receive the equivalent of 5% of their monthly rent up to a total of $75 a year. Homeowners had up to $125 of their school tax bill paid. Since income was not a criterion, practically every elderly household occupying an autonomous dwelling was eligible. In the last year of the program, 1978-1979, 272 720 older households received average annual benefits of $70, for a total cost of $19 million. In 1979, the school tax refund was abolished and replaced by the present property tax credit. The elderly persons who would have received less from the new PTC than under the old program were able to continue to obtain the aid they obtained in the last year of the school tax refund.

Social aid and employment income supplement

Social aid meets the immediate essential needs of those who have no employment income. Thus it covers housing. Since 1974, rent has not been counted or reimbursed specifically, but has been included in the overall benefits. These correspond to a minimum subsistence income as estimated by the Montréal Diet Dispensary. In this subsistence budget, the estimated cost of housing is $188 for a single person to $282 for a family with two children.

In September 1982, over 200 000 households receiving social aid occupied a private dwelling, that is about 33 000 owners, 17 000 roomers and 150 000 tenants. Because of the benefit scale, a fair proportion of beneficiaries had an expenditure-to-income ratio of over 30% (60% of the beneficiaries). Nevertheless, twothirds of the owners, all LRH tenants and 36% of the tenants in the private market were under this. Those who had to spend more than 30% did not however occupy dwellings with higher than average rents. On the contrary, the average rents paid were below the general average.

The social aid program has a major impact on general housing conditions and the market: nearly 17% of tenant households have their rent paid directly

by government, representing a total of $700 million in 1983. The cost of the program with the present calculation methods does not depend on rent increases but on the indexing of benefits and the rising numbers of recipients.

The employment income supplement (frequently referred to by the French acronym SUPRET) paid to low-income workers helps them obtain essential goods and services including housing.

In 1981, over 27 000 households whose income fell below the estimated poverty line for that year received this supplement. If it were allocated to housing, there would be a reduction in the number of those faced with financial problems. If the supplement is considered, the expenditure-to-income ratio drops from 52% to 47% for owners and from 43% to 38% for tenants.

In the way they are calculated and paid, these two income support programs have no influence on household consumption. However, they do help attenuate the financial aspect of housing difficulties for some households.

Measures to expand the housing stock

At present, the efforts to expand the housing stock are mainly channelled toward encouraging home ownership, new property in particular. CORVÉE-HABITATION and one part of the Home Ownership Assistance Program (HOAP) are intended to sustain demand for new housing.

CORVÉE-HABITATION

This program was devised as an exclusively Québec, concerted measure to spur employment in residential construction. Essentially it was a matter of bringing down the inflated interest rates of the period and assuring a certain stability. The only income restriction has been set indirectly by imposing a purchase price limit, which is fairly high, above the average for existing houses traded on the market during the same period. In actual fact, about 70% of the new home buyers in the summers of 1982 and 1983 benefited from the program. The vast majority, over 80%, had previously been tenants. Vertical equity suffers because the benefits are not proportional to income. But considering the economic climate prevailing in the spring of 1982, only a simple universal measure could restore home buyer confidence.

The program encouraged certain categories of tenants such as older households and single persons, previously little inclined to buy a home, to do so. Since CORVÉE-HABITATION buyers made an average down payment of 30% it is easy to imagine that they would not have needed specific assistance to buy property in normal economic circumstances. For nearly 75%, the program was in fact a bonus, since they would have bought in any event. For another quarter, it simply hastened their home purchase, which would normally have taken place a year or two later. For all others, the program was reassuring and induced

them to make an offer to purchase when fluctuating interest rates caused them to hesitate. Housing starts thus reached a level corresponding to the estimated rate of net new household formation. CORVÉE-HABITATION does not seem to have created any artificially inflated demand.

Furthermore, eligibility conditions opened the program to a fairly wide variety of building types, in particular to mediumdensity affordable condominiums. This type of housing would probably have developed even without the program, but not as vigorously. It was the massive development of this new type of dwelling, as much as the program itself no doubt, that attracted certain categories of tenants to ownership, among them older households and single persons. The result has been a substantial rise in the vacancy rate, particularly in areas where these new condominiums and rental buildings comparable in every respect are to be found. Even in a difficult period then, the CORVÉE-HABITATION program had a very definite effect on the growth of the housing stock.

Like any home ownership assistance progra , this enables those who benefit to improve their housing conditions. On the other hand, it presupposes a continued effort on their part to invest in the dwelling they have acquired.

HOAP

In the spring of 1981, Québec launched the Home Ownership Assistance program (HOAP) to encourage young families with a child under 12 to acquire a home. This program has two features. One is an interest rebate to reduce housing charges during the first years of occupancy and the second a reimbursement of capital when another child is born or adopted. It is universal for target households; there is no income restriction, but the purchase price is limited to $60 000. Since the program also applies to existing homes, it should normally reach tenant households with more modest incomes. This is partly the case, the average income of beneficiaries being $28 000 for the purchase of a new home and $27 000 for a used one. However, the program poses vertical equity problems, since the same parameters apply to all income brackets. The wealthier households enjoy the same benefits as others, even if they do not necessarily need them to buy a home.

The program offers major financial benefits for acquiring a new home, including an interest rebate of up to $5 500, a subsidy of $2 000 on the birth of a second child and $4 000 on the birth of a third. The interst rebate is reduced by 40% when an existing home is bought. Such assistance would not be necessary for those earning over $25 000 since 94.5% of them have an expenditure-toincome ratio of under 30%. As for beneficiaries whose incomes are under $25 000, 30% of them had to shoulder an expenditure-toincome ratio over 30% the first year even with the aid. On the other hand, the capital reimbursement enables them to reduce the mortgage and stabilize the long-term cost of the property. Generally speaking new home buyers do not seem to have

had any particular problem with making the required down payment, which averaged $10 000, $2 800 of which came from their home ownership savings plan. Nor must we forget that these beneficiaries could also sometimes count on a grant from their municipality or the federal government up until May 1, 1983, under the Canadian Home Ownership Stimulation Plan (CHOSP).

HOAP stimulates demand for new housing; in 1983, slightly over 8 000 new home buyers benefited from the program. It also supports demand for existing homes, as 69% of its beneficiaries bought used housing. A strong upswing in this field may have indirectly contributed to recovery in the new housing market by freeing new buyers. The program thus has a substantial positive effect on housing stock growth.

But the program's cost may easily go up considerably with such conditions. Since beneficiaries are 30 years old on average and make up the population stratum which has the most births, the capital reimbursement factor may assume more and more importance.For the 1983-1984 fiscal year, the budget was largely exceeded, from an initial commitment of $18.6 million to an actual requirement of $26.6 million.

The progam has the administrative advantage of offering aid over a limited time; it is meant to help acquire a home. It presupposes at least a minimum amount of savings on the part of buyers.Once they own the home, it is felt that these beneficiaries should not generally need further government aid to keep it.

Measures to improve existing stock

LOGINOVE

The Québec LOGINOVE program which succeeded the joint SHQ-municipal restoration program was specificaly designed to minimize population shifts subsequent to renovation work, and to help low income households benefit from the restored dwellings. However, the program was implemented too recently to be able to offer an accurate evaluation of the results.

The grant paid by the program is inversely proportional to theincome of the owner-occupants, which respects the principle of vertical equity. In rental housing, it is inversely proportional to the tenants' rent rather than their income. The requirement of an agreement regarding subsequent rent increases and signed in advance by owner and tenant is intended to ensure that the tenant can remain in or return to the premises. This objective is easier to achieve in some neighbourhoods than in others. The LOGINOVE program, designed to be universal, has so far been limited to certain areas, those where the federal Residential Rehabilitation Assistance Program (RRAP) applies. The program's horizontal equity suffers as a result, but considering the demand that might arise, such equity could not be guaranteed in the short

term in any event. Moreover, it is probably more efficient to concentrate investment in definite zones, particularly if spread effects are also sought.

The results of the program are obvious when it comes to improvement of housing stock quality. At a cost of $15 500 per unit, LOGINOVE not only makes it possible to repair old buildings, but also in some cases to redo them and give them a quality they never had before. From the point of view of housing conditions, the results are variable. Conditions for owner-occupants are a definite improvement. These households often have a limited income even when they have considerable assets. In the case of rental housing, it is not certain that the tenants in place are always the main beneficiaries of the program, even though some provisions are intended to keep them in their homes. The types of work and repairs done are at the root of this, rather than the program itself.

LOGINOVE does not increase the number of housing units but substantially upgrades the quality. When the program means a shift of low-income tenants, either because they cannot pay a higher rent or because they do not wish to shoulder a greater financialburden even though they could afford to do so, there may be a shift in demand toward other reasonably priced housing.

The cost of the program goes up in relation to the unit cost of restoration work, number of units renovated and interest rate fluctuations. Since the unit cost is subject to the cost of manpower and materials, it is difficult to keep it within certain limits, as it is difficult to prevent the inflated prices caused by the existence of subsidies. On the other hand, setting a definite number of beneficiaries per year makes it possible to watch the cost.

Lastly, one may well wonder whether such a program, which offers massive assistance when a dwelling is dilapidated, provides anyincentive for home owners to see to regular maintenance and repairs. Some may prefer to allow their buildings to deteriorate and count on State aid when major repairs are needed.

ÉQUERRE

To encourage regular maintenance, early in 1984 the Québec government launched another Québec program to assist residential renovation. ÉQUERRE is designed precisely to make possible specific, less extensive action.

The assistance offered consists of a tax-free grant corresponding, after the first $1 000 in work per building, to 30% of the cost of eligible work up to a maximum of $9 000 per dwelling. The maximum subsidy is $2 700 per dwelling.

It is undoubtedly too soon to present an overall appreciation of the effects of ÉQUERRE, since the program has only been in existence for a few months. However, results so far show clearly that it meets a need if we can judge by its popularity, which could be even greater than that of CORVÉE-HABITATION. At the beginning of July 1984, after only four months in operation, 16 144 applications dealing with 22 777 dwellings had been filed and 7 620 owners in Québec had already secured grants enabling them to renovate 10 750 dwellings. The work done totalled about $46.5 million, with $11.3 million coming from ÉQUERRE funds.

Neighbourhood improvement programs

Programs to improve the environment and older neighbourhoods were carried out mainly in the late 1960s and early 1970s, then gradually disappeared with withdrawal of federal financing. They made it possible to transform and improve 79 older zones in 55 municipalities, helping to finance the reconstruction of service infrastructures, building of community facilities and redevelopment of streets and parks. It was essentially their high cost that justified their disappearance, not their impact on the community.

The decline of older districts in the downtown area is manifested in various ways: population drain, transformation of the socioeconomic make-up of households. marked physical deterioration of residential buildings, drop-off of business in local firms, school closings, deterioration of old services: streets, water mains, sewers, sidewalks, etc.

These phenomena usually occur concurrently, even if they cannot necessarily be imputed to the same causes. One is the gradual move to the inner suburbs of manufacturing firms attracted by lower land prices and highway development, followed by that of better-off workers' households.

These moves are often responsible for a lack of interest on the part of owners, attributable to indifference, pessimism about the district's future, a negative attitude about returns from the rental sector or simply a desire to speculate on the impact of downtown expansion.

If the municipality for various reasons cannot maintain the quality of its services and community facilities, the process of deterioration is accentuated.

To the extent that they have succeeded in enhancing the physical quality of the habitat and the housing conditions of the lowincome households living there, the neigbourhood improvement programs have made it possible to achieve the goals set when they were established.

General review of aid to housing

Rapid rise in financial commitments

As shown in Table X, a clear trend became discernible about 1976: Québec's involvement in housing, without counting the estimated housing portion in income support programs, grew in sustained fashion and at a faster pace. Between 1978 and 1983, it soared by 520%, while the federal contribution rose by 81% in the same period, but with a relative tapering off from 1978 to 1981, and vigorous specific intervention in 1982-1983.

Federal housing policy over this period was characterized by its abandoning the field of direct loans to assist property in the hands of private lenders. Except in 1982, it gradually withdrew from rental housing, home ownership and neighbourhood improvement aid, remaining only in the fields of restoration, with RRAP and social housing, under section 56.1. In 1982, it entered that of home ownership assistance and stepped up its restoration assistance, but just for the year, as these two programs were temporary. Nevertheless the CMHC still has over 500 permanent employees in Québec.

For its part, Québec has diversified and intensified its action in the housing field. It has diversified by developing new programs: LOGIPOP, LOGINOVE, ÉQUERRE, HOAP, LOGIRENTE and CORVÉE-HABITATION, in addition to its rent supplement contribution and special assistance to dwellings for the handicapped, conversion and Northern housing. And it has intensified by speeding up the construction of LRH. If we add the property tax credit program set up in 1979, we can see the wide range of programs begun in the past six years.

We must also note that the municipalities have tended to become more involved. For instance, over the same period (1978-1982) Montréal spent nearly $50 million for renovation and home ownership assistance programs. But this action has quite a different purpose. A housing subsidy paid by a municipality is essentially an investment, as it repeatedly increases the municipality's tax revenues. This is not true for the other two levels of government — federal and provincial -- since their expenditures are not compensated for, except in the case of assistance to housing construction and renovation. On the other hand, their housing aid has the major indirect effect of consolidating the property tax base.

Wide distribution of government aid

As shown in Graph II, government aid has reached all income categories in varying proportions.

Table X
Annual housing aid by Québec government, according to type of assistance, 1975 to 1983 (in millions of dollars)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	Total
A Increase of owner-occupied housing stock	6,8	6,5	6,0	4,9	3,5	4,5	7,0	38,7[1]	102,6[1]	180,5
B Improvement of existing stock	3,2	4,0	7,2	7,3	12,8	10,8	14,4	18,6[2]	37,1[2]	115,4
C Financial relief for housing occupancy	9,8	16,4	18,5	23,7	29,0	40,6	64,1	74,8	81,1	358,0
D Transfer program directly associated with housing	13,4	14,9	17,4	19,1	57,8	82,3	96,7	105,0	120,0	526,6
Total	33,2	41,8	49,1	55,0	103,1	138,2	182,2	237,1	340,8	1 180,5
Annual change in percentage		+25,9	+17,5	+12,0	+87,5	+34,0	+31,8	+30,1	+43,7	

A. Family housing, CORVÉE-HABITATION, Home Ownership Assistance Program.
B. LOGINOVE, SHQ/municipal renovation program, land clearance program.
C. Rent supplement, LOGIPOP, LOGIRENTE, LRH operating deficit.
D. From 1975 to 1978: School tax refund for elderly persons. From 1979, universal PTC.
1. Includes commitments spread over 5 years for HOAP and 3 years for CORVÉE-HABITATION
2. Includes commitments spread over 5 years of about $7.1 million and $37.1 million for 1982 and 1983 under LOGINOVE program.

Most beneficiaries of the aid programs, both in absolute numbers and in percentage, belong to the group with incomes of $10 000 or under, that is 16.5% of the households with $5 000 and under, and 26% of those with incomes between $5 000 and $10 000. At the opposite end, slightly more than 5% of those earning $45 000 and over benefited from assistance. For all other categories, about 10% or 11% of households received direct aid.

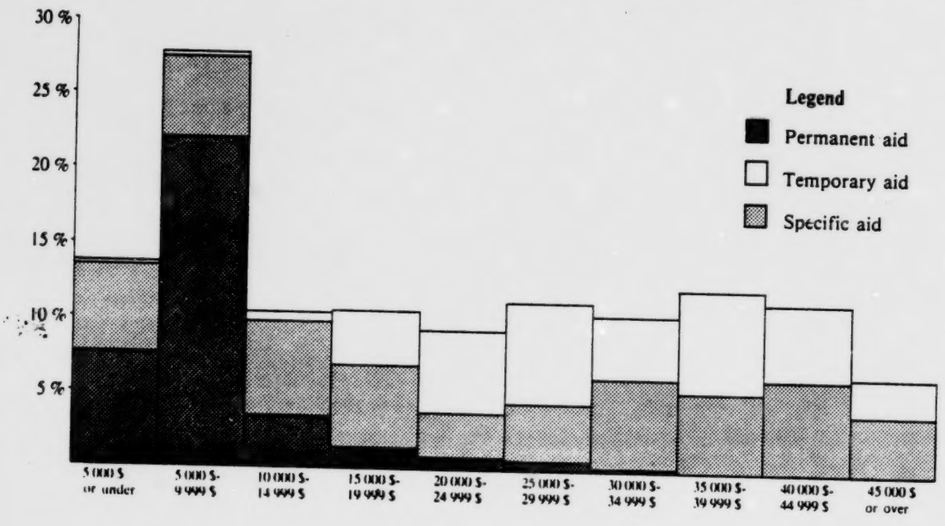
However, households earning incomes higher than $20 000, most of whom are homeowners (over 68%), benefited from a form of indirect aid (RHOSP, capital gains and implicit income exemptions) which does not appear in the graph because the money is not actually received.

When we consider the sums of money allocated to each category of household according to income, we note that those with less than $10 000 benefit most from the permanent aid programs (LRH, LOGIRENTE, rent supplement and NPO). It is also in this category that we find social aid recipients, whose benefits

include the cost of rent; in 1983, 243 910 beneficiaries received nearly $700 million in housing assistance, which considerably inflates the first two columns of the graph. On the other hand, household categories with incomes over $20 000 almost always receive only temporary and specific aid. In absolute numbers, the households earning between $10 000 and $20 000 are probably in the least favourable position to benefit from the programs; too well off to be eligible for personal aid and not wealthy enough to enjoy the advantages of home ownership assistance plans, they must make do with lesser programs, which often have intermittent, and limited effects.

Graph II

Percentage of households, by income category (1982), benefiting from at least one form of direct government assistance (including portion of social aid allocated to housing but excluding fiscal measures), 1975 to 1983



CHAPTER IV

GENERAL ASSESSMENT AND PROSPECTS

How housing conditions change depends on many agents: the households themselves, the various economic agents involved in supply, groups and associations that concern themselves with this field, and the various levels of government. Through itslegislation and regulations, tax measures and financial incentives, the government directs behaviour generally, with varying degrees of firmness. But in housing the driving force is the private sector. It is therefore essential to an overall view of the housing situation to make a general assessment of successes and failures, and to indicate major trends.

Present State of the Housing Field

The situation of households

The way in which the economy has evolved has favoured an increase in real income, and the changes in mores that have transformed our conception of the terms and conditions of living together have resulted in an enormous increase in the number of households over the past 20 years, rising 3.7 times faster than the population. The market has therefore had to adjust very quickly to these new conditions. This resulted in increased activity in new construction in the 1970s, particularly in the home ownership sector. In the 1970s:

- 567 000 additional households appeared in Québec;
- the proportion of owners increased, rising from 47% to 53% for all types of households, or 396 800 more owner households;
- the proportion of tenants dropped, although in absolute numbers there were 172 370 additional households.

It should first be said that, in general, Quebecers are satisfied with their housing conditions. In the survey on the expectations of Québec households mentioned earlier, 86% said they were satisfied, 91% feeling that owners were well housed and 70%, that tenants enjoyed good housing conditions.

The situation of owners

Ownership status is always highly valued by society and government. The tax system grants it a favourable position, in particular by the exemption of capital gains. At present most family households are owners (63%). Most of them have good quality homes of reasonable size, generally more spacious and a little more adaptable than rented accommodation. And despite the fluctuations in interest rates their monthly outlays are acceptable. The great majority of

home owners devote a portion of their income to housing costs that leaves them with sufficient to meet their other needs. Moreover, the way in which interest rates have fluctuated seems to have been an incentive for many borrowers to make advance repayments of capital. Such repayment could no doubt be speeded up if buyers were to negotiate annual mortgage repayment clauses.

It is nonetheless true that home ownership is a sure means of saving. In 1977, accumulated savings through increased personal assets amounted to an average of $22 000. On the other hand, when the time comes to sell, owners have only a limited amount of information about the various aspects of real estate transactions. It should be stressed that it remains difficult for certain categories of households to acquire property, since becoming a home owner is always closly related to income.

The situation of those hoping to become owners

In 1971, the body of tenants able to buy a single-family house at a moderate price numbered about 300 000 households; in 1983 it was only about 167 000. It is clear that the number of people with sufficient resources to pay the costs of occupying dwellings now for sale, principally new or existing single-family houses, is diminishing. High interest rates are mainly responsible. In 1981, given the 18% rate then in force, only 60 000 tenant households were in a position to buy property at the average price ($55 000) without going beyond the expenditure to income ratio of 30%. Diversifying the forms of ownership will facilitate access to property. There has recently been an increase in types of co-ownership, some at affordable prices, giving those who aspire to ownership a greater choice. Finally, buyers are still not fully protected, primarily because of a lack of information, insufficient guarantees of construction quality, and lack of financial protection for buyers in certain instances.

The situation of tenants

Following the increase in the average real income, a good many households with children became owners. But there were also increasing numbers of single persons and single-parent families, most of them with low incomes, occupying rental housing. This change in the market explains why tenants' overall capacity to pay deteriorated in relation to that of all households. Under such conditions it is understandable that many households still do not have the resources to house themselves. In addition, when we consider the type and size of households, we find that 15.6% of tenants devote too large a portion of their budget to housing. However, problems of overcrowding and poor quality accommodation are slight in the rental housing stock generally. The problem of quality, which affects 85 000 households, is comparable to that found in owner-occupied property; the problem of space affects 30 000 tenant households. Generally speaking, the latter have a wide choice both as to type

of building and size of dwelling. However, in certain zones, availability of rental housing poses more problems than lack of diversity. The development of the non-profit sector is helping to enlarge the range of choices and to increase availability of rental accommodation. But this development is still largely dependent on government programs. Finally, through the Régie du logement, tenants enjoy protection in their relations with landlords against eviction and excessive increases in rent.

Specific clienteles

Despite a generally favourable situation, some household groups experience housing difficulties.

The elderly

Some elderly households have the same problems of quality of accommodation and capacity to pay as other households but, given their age, these problems take a different form. Often, elderly persons with financial difficulties own a dwelling, which could be used to improve their situation (sale, reverse mortgage). But the main obstacle in the way of remaining in their homes is maintenance. In spite of this, their desire to remain in their own home and fear of moving induce many to seek accommodation that is better suited to their needs. Many elderly people find low-rental housing a solution to the problems of insecurity and being alone as much as difficulty in meeting payments.

The handicapped

There has been increasing recognition of the special housing needs of physically handicapped persons over the past years. Until recently, those who wished to obtain a private dwelling were very limited as to choice compared with other members of society. Although there are still many structural barriers preventing access to dwellings and to unimpeded movement within buildings for households in this category, considerable effort has gone into making a greater number of dwellings accessible.

Roomers

Some persons are content with a single room. This phenomenon, which is not at all well understood, may take a number of forms: a room with a family, in a reception centre, or in a rooming house. A housing policy should be particularly concerned with the third category. Rooming houses have two categories of users: members of a mobile population with a high turnover (students, part-time employees), and members of a population that is stable, very dependent economically and even socially, often suffering from chronic problems of one kind and another, or going through a period of social reintegration. Members of this very low-income group look for cheap

accommodation that pose no administrative or planning difficulties. Rooms constitute an acceptable solution for this type of person if there are enough of them, and if they offer a minimum quality for a reasonable price, which is not always the case.

Performance and difficulties of agents concerned with housing supply

As we said earlier, the supply of housing in Québec has increased at a rate sufficient to meet demand, at an advantageous price, compared with the situation in Ontario. This favourable development is the result of government incentives for residential housing and maintenance of competition among most agents, among other things, despite difficult circumstances.

Residential construction industry

The residential construction industry has remained competitive and has adapted to the need to design new models, as evidenced by the speed with which construction firms have entered the renovation market. In spite of its specific characteristics, the domestic sector is subject to the same working condition standards as other construction sectors. With regard to residential construction standards, simplification and standardization have been achieved by the recent adoption of the National Building Code, applicable to buildings with more than two storeys and eight units. Small buildings not covered by this legislation, except for electrical installations and plumbing, are subject to the standards laid down by the municipality, a number of which use the National Building Code.

Recurring instability in the construction industry results in lack of stability for a large labour force, subjecting it to seasonal unemployment. The fact that residential renovation can be carried on all year long does not seem to have helped to eliminate this problem in residential construction.

It is important to note as well that builders, in order to comply with bylaws and urban development norms, are turning increasingly to professionals in architecture and urban development, and are searching for lots that are well situated in relation to built-up zones. The municipalities are increasingly prepared to discuss and negotiate these questions with them, which greatly facilitates their task.

Building land supply conditions have been changing appreciably for some years. The position of new allotments is best guided by agricultural zoning and best planned by the municipalities themselves. A number of municipalities are adopting a new approach to financing services: having all or part of the cost paid by the builders. These changes are likely to result in a general increase in the cost of land, which should induce public authorities to carefully study the effects of their bylaws.

Mortgage lenders

Most mortgage financing is done through banks, Caisses populaires, trust companies and other institutions of this kind, and healthy competition is the rule in the sector. Generally speaking the mortgage market provides enough capital to finance all transactions. However, the term of mortgages tends to change with the economic climate; sometimes a one-year term is the rule, and then it becomes three, then five years. Efforts have been made to try to find repayment formulas that minimize the impact of floating interest rates, to enable buyers to plan their loans as far as possible. But the use made of such new formulas has not been sufficient to be of any help. Mortgage insurance continues to play an important role in the purchase of a house. Although there are only two insurers — the CMHC and the MICC — there seems to be no difficulty when it comes to insuring traditional homes.

Intermediaries between sellers and buyers

A property transaction involves services of all kinds: assessment of the quality of the building, information about market prices, search for and registration of title deeds, preparation of contracts, finding and selecting buyers, looking for and negotiating financing. Real estate agents and brokers usually carry out some of these tasks, and notaries, land surveyors and assessors provide support services. Given these costs in relation to the amount of the transaction, it is not certain that the public is always satisfied with the services it receives. The brokerage sector expanded during the 1970s, recording in particular a higher proportion of sales made through the Multiple Listing Service (MLS). This expansion favoured competition among real estate brokers, notably by the emergence of the franchise system, creation of a new formula of direct sale by the owner, and the recent arrival of notaries on the scene.

Owner-lessors

Like other agents in the housing sector, owner-lessors are a heterogeneous group with a variety of practices. They are to be found side by side with those in the non-profit and private sectors, including small owners with one or two dwelling units and large owners with over 1 000 units. The drop in tenants' total capacity to pay has created a climate of uncertainty among owner-lessors which could bring about a pronounced decrease in investment in the new rental sector. In addition, the rules governing landlord-tenant relations have been modified and the precedures in cases of legal dispute have been simplified.

But these changes have not been carried out without opposition, and they have resulted in certain delays. With the rapid fluctuations in interest rates and the impossibility of increasing rents as a consequence, investment in the rental sector became more complex and its administration, more restrictive.

Nevertheless, property remains a profitable investment, comparable to other forms of investment, despite the fact that the chance of making quick profits is diminishing.

In the 1970s, the non-profit sector began to develop; its importance in the rental stock is still relative, but its growth has been sufficiently rapid to enable it to compete with the private sector on occasion. The purchase of existing housing for co-ownership has recently been attracting a new kind of owner-lessor, who is primarily concerned, not with making a long-term investment in rental property, but with converting it for a different mode of occupancy. It is therefore important to draw up a regulation to govern conversion which will give due consideration to the tenants already in the building.

A dynamic field

In the past few years the housing field has shown renewed vitality, through exhibitions and seminars among other means. This dynamism stems mainly from the development of associations of various agents in the field, builders, brokers and tenants, for example, and the action they have taken. This renewed interest on the part of numerous groups in the field surfaced during the difficult economic situation in 1982. It was at that time that the wish to combine forces, a result of a proposal made by the president of FTQ-Construction, gave birth to CORVÉE-HABITATION. This program brought about a distinct improvement in the construction industry, not only because of the financial benefits of the program but also by reason of the climate of confidence that it created.

Involvement and influence of government

During the past ten years, action at the various levels of government has taken different courses. However, the many programs that have been set up have increased the expectations of households. Over 43% feel that the government does not spend enough on housing; a large number of tenants (48%) and young households (49%) feel this way. With regard to regulations, the general feeling is that they are sufficient.

Partial withdrawal and specialization of federal action

In the first half of the 1970s the CMHC dominated the housing field, offering programs that covered almost every aspect of the sector. Towards the end of the decade, it gradually withdrew from planning, direct loans, home ownership assistance and assistance for rental housing. Its financial contribution increased by only 81% in six years, slightly more than inflation. It can be said, then, that there was a certain stability. But the CMHC continued to make itself felt through the dissemination of statistical data and housing models available on the market.

Takeover by the Québec government of responsibility for housing

In the past decade, and particularly since 1976, Québec has been directly involved in solving the various problems related to housing. Whereas before it was content to allow CMHC programs to be carried out, and to render assistance, from 1976 on it began to create its own programs to assist home ownership, encourage building restoration, lighten the financial burden of housing for the elderly, and encourage the development of the non-profit sector. Funds allocated to housing rose from $41.8 million in 1976 to $340.8 million in 1983, nine times more than at the start. The Québec government has also intervened in the standardization of activities in the housing sector, mainly through the Régie des entreprises de construction du Québec and the Régie du logement du Québec. And with regard to the design and regulation of buildings (building code, safety code, etc.), it quickly became clear that it would be more efficient to adopt codes prepared in conjunction with the other provinces on the basis of American standards, except for minor changes in areas peculiar to Québec (plumbing and electricity standards), to our land (energy conservation standards) and to our social concerns (accessibility standards for the handicapped).

Increasing interest of municipalities

Municipalities were concerned with housing only passively and indirectly. But although municipal law does not make housing a municipal concern, the main urban development decisions made by municipalities -- allotment and construction bylaws, zoning bylaws, financing of services — had a direct effect on housing. In the 1970s, an increasing number of municipalities became more directly involved in the housing field, while continuing to carry out their traditional planning functions, with Montréal in the vanguard. In short, it can be said, especially after the experience of CORVÉE-HABITATION, that municipal interest in housing seems now to be an established fact.

More government coordination needed

The division of responsibilities among governments and local administrations is not always clear, and the action taken is an indication of this situation. In some areas, activities are shared; in others, only one government is entitled to take action. The federal government acts only in the realms of fniancing and mortgage insurance. The Québec government has the power to regulate the activities of agents in the field, while the municipalities play a decisive role in choosing sites for housing developments and in planning residential zones. There are few mechanisms for coordinated action, and those there are do not seem to help much.

Trends To be Mastered and Coordinated

Just how will the situation change in the coming years? Certain foreseeable factors will undoubtedly alter the course of things. Some trends are already apparent, the aging of the population for example. Others, such as home ownership, will be determined by the economic situation and government programs.

Demographic prospects

Slight population growth and slowdown in formation of new households

Québec's population will probably increase slowly in the 1980s. One demographic scenario prepared by the Bureau de la statistique du Québec anticipates a population of 6.9 million in 1991, an increase of 7.8% over the 1981 population. This scenario predicts a rise in life expectancy, a drop in the birth rate in the first half of the decade followed by a slight recovery, and a slow improvement in the migration balance.

As will be recalled, the formation of households does not depend on demographic composition alone, but also on economic factors, employment and the growth of household income, and social factors, the fact of living alone, divorce, etc. It is unlikely that the trends observed in the 1970s will continue in the 1980s. Assuming that there will be little improvement in the housing cost/income ratio, and that the percentage of divorces will stabilize, there will be a slowdown in the formation of new households. According to the BSQ scenario, it can be predicted that between now and 1991 there will be about 40 000 additional households per year, a rate similar to that of the 1960s (41 000) and decidely lower than that of the 1970s (57 000). In the following decade the net formation of new households should steadily drop to about 27 000 at the turn of the century. These estimates are very similar to those produced by Hydro-Québec in March 1984.

Two trends requiring housing diversification

The aging of the population is becoming more and more apparent. The proportion of persons 65 and over was 8.8% in 1981, and is expected to rise to 11.3% in 1991 and to 13% in 2001, according to the BSQ scenario. The aging of the population has a marked effect on the demand for housing. It is expected that elderly households will increase by about 130 000 in the 1980s, and will represent close to one-third of new housing requirements.

Households consisting of a woman alone will rise rapidly in number because of increasing numbers of women in the labour force and the fact that the life expectancy of women is higher than that of men. Women will make up an increasing proportion of the elderly; in 2001, 15.7% of women will be 65 or more compared with 10.4% of men. Consequently, the demand for housing on the

part of elderly women, most of them alone, will probably make up about half of new housing requirements for elderly persons in the years to come. This additional demand will offset the drop in the smaller demand of the youngest households, whose numbers will diminish by about 35 000 during the decade. The impact of these trends on the housing needs of the elderly population will depend on whatever policy is adopted respecting all aspects of the life of this group. It is nonetheless clear that, because of these trends, it will be necessary to diversify a portion of new housing and adapt part of the existing stock to take these requirements into account.

Marked rise in middle-aged households

During this decade, the 25-34 year group will become larger, representing 18% of the population, while the 35-44 year group will increase rapidly to 16% of the population.

In effect, the largest addition of new households will be made by the 35-44 year group, i.e. about 160 000 households. This is the group in which families with children are concentrated and in which the percentage of divorces is the highest. It can be expected that the distribution of the population according to type of household will undergo certain changes, without changing radically. The proportion of non-family and single-parent households will probably increase at the expense of family households. The distribution of non-family households will move in the direction of the older population groups. At the same time there will be a drop in the numbers of young, non-family households seeking rental accommodation. However, the fact that the 25-34 year group is increasing will affect the home ownership market, for most aspiring homeowners are in this age group.

In short, the demographic structure and parameters indicate:

- a decrease in the number of very young households;
- an increase in the number of middle-aged households, among which most future homeowners are to be found;
- an increase in the number of elderly households, particularly one-person households.

Given these probabilities, it can be said that the capacity to pay for a dwelling of adequate size and quality for all households and for groups whose situation is precarious will be determined by government action. But if such action undergoes nomajor change, developments in this respect will depend basically on the general economic situation and changes in the way in which residential property is acquired.

Economic prospects

Impact of economic situation on the formation of households

As was mentioned earlier, the economic situation influences the formation of households. It acts on the total demand for housing when it enables the children to split the family up by leaving home, at varying ages, and to set themselves up in separate dwellings; or it may have the opposite effect, contracting the market. But it also affects the consumer habits of households as to quality and size of dwelling through the manner in which the means available to consumers change.

Housing needs similar to those of the 1960s in quality and quantity

In the coming years, if the purchasing power and the means of individuals are maintained, the virtual addition of new households as mentioned above should mean a demand similar to today's demand. The trends detected with regard to quality and quantity in the demand of the different household groups should therefore remain the same as well.

Impact of the demographic situation on the residential construction industry

It is certain that a demand for new housing similar to that of the 1970s would alter the employment percentage in new construction. It is estimated that building a dwelling is the equivalent of one person/year in terms of direct or indirect employment, which would mean for the 1980s an average of some 35 000 jobs per year. This is decidedly lower than the figures for the 1970s. On the other hand, the increase in the existing housing stock, its aging, and the marked rise in renovation incentives would probably reestablish a certain balance in relation to the 1970s by encouraging greater activity in the restoration sector.

A study carried out by the Secrétariat au développement social,entitled L'évolution de la population et ses conséquences, published in February 1984, shows that the net migration balance has been negative in the past 20 years in Québec. We have therefore lost an average of 6 134 inhabitants a year, although the total population has continued to rise because of the birth rate. The study presents three scenarios, based on the assumption that present birth rate and migration trends will continue or improve. In 2051 the population of Québec could be, depending on the scenario, 4.7 million, 6.1 million or 8.5 million inhabitants. In the first two, the decrease in the population or its ceasing to grow would begin to become apparent around the turn of the century.

The choices of individuals and households with regard to the number of children they want is a personal matter. But the migration balance is another

thing, and an active, open immigration policy could make a positive contribution to the growth of Québec's population. The Office de planification et de développement du Québec estimated, in June 1980, in its work entitled Les effets économiques du ralentissement de la croissance de la population au Québec, that an adjustment of 10 000 in the migration balance would result in the construction of 2 500 additional dwelling units, without counting the effects it would have in other consumer areas.

Increase in the number of households without the ability to pay for accommodation

If the present situation continues, the proportion of households without the financial means to house themselves should stabilize, but their numbers will go up slightly. The number of households confronted with this difficulty is likely to increase by about 15 000 on the basis of this assumption, and will reach 170 000 in 1991, or close to 17% of the rental clientele.

Harmful effects of a new upward swing in mortgage interest rates

Even if real global income stays the same, housing consumption could drop considerably and housing conditions for the poorest households become even more precarious if mortgage rates were to go up again and stay up. Home ownership for tenants would then become very limited. An interest rate of 13% now allows 16% of households occupying rented premises to acquire a new home. This proportion would fall to 6% if rates were to reach 18%. Any new rise in rates has a gradual effect on rents, but no corresponding increase in the means of small wage earners.

Changes in the ownership structure

Essential conditions for increasing the proportion of owners

If the rate of growth in the proportion of owners (from 47% to 53%) that obtained in the 1970s continues, almost 60% of Québec households will own their own homes in 1991, a proportion comparable to that of Ontario (63%). Maintenance of this rate ofgrowth will be helped by the arrival of an increasing number of households in the age group most likely to have a large proportion of members who become home owners, i.e. the 25-44 year group. In addition, the proportion of owners in the young household group is carried over to the older groups as time goes on, which should result in a larger percentage of older owners, hence in a larger number of homeowners. But if such a rate is to be maintained, it is necessary that:

- the proportion of young families acquiring property exceed the present percentage, for the proportion of families in middle age (45-64) who are already homeowners is 63%;

- low-income households become homeowners in greater numbers than at present. Already medium-income and high-income house holds have a high rate of ownership. For example, 76% with incomes of $30 000 and over are homeowners;

- available dwelling units, by their diversity and quality, attract more new groups, particularly non-family households, most of them still tenants, young renters, and owners acquiring a dwelling for the second or third time. These groups may be attracted by forms other than the single-family house. In 1982 and 1983, 26% of those buying property as co-owners were single people;

- increases in the cost of new and existing housing not exceed income increases. The proportion of future owners will depend on the cost of houses and interest rates. In other words, low-income households can hope to become owners only if they are offered co-ownership of existing rental accommodation.

Only under these conditions will the proportion of owners continue to rise at the same rate as before. This also presupposes an upswing in co-ownership of existing properties and greater accessibility to new dwellings in a wider variety of forms.

Rational land use

Continuing attraction of single-family dwellings and development of other types of property

New clienteles likely to choose ownership in greater numbers are those who now tend to choose sites close to services. The young family group is the one now growing most rapidly. So far most have chosen the type of property which offers more space and suits their needs: the single-family house. These two trends indicate continued interest in this type of dwelling, but accompanied by the development of other types, particularly property that is co-owned.

An objective becoming increasingly accepted: increased population density

This objective dovetails neatly into the development proposals put forward by the government and the municipalities, the object being consolidation of the urban fabric. Co-owned property or small buildings often fit well into residential zones where there is still unoccupied space. Single-family dwellings can also be erected in more concentrated fashion and in larger forms within built-up areas or in their immediate vicinity. It should however be remembered that when greater density is the objective speculation is often the result; the municipality should therefore take what action is necessary to control this phenomenon.

A pronounced trend: rejuvenation of old neighbourhoods

The rejuvenation of neighbourhoods that are feeling the effects of time will also play an important part in consolidating the urban fabric. Vacant land will therefore be much in demand. The success of restoration subsidy programs is acting as an incentive to renovate the greatest possible number of old buildings, and it is expected that the residential environment of old neighbourhoods will take its cue from recently restored buildings. The landscape of residential neighbourhoods should also steadily improve.

Financial commitments

Québec has been extensively involved in housing since 1976. The funds allocated to this sector have been increased almost tenfold, going from $41.8 million in 1976 to $340.8 million in 1983, including property tax credits which, in 1983, alone represented disbursements of some $120 million.

This jump is attributable to a number of factors. First, there was a great deal of catching up to be done in the field of public housing, which the LRH program proceeded to do; the number of dwelling units in this sector rose from 20 000 in 1976 to 45 000 in 1983.

In others areas too Québec had far to go. Therefore, since 1976, government action has been diversified and a whole new series of programs have been set up: LOGIPOP, LOGIRENTE, the Home Ownership Assistance Program (HOAP), CORVÉE-HABITATION and ÉQUERRE.

Under the circumstances, Québec's financial commitments have increased rapidly in the past few years, at a rate of close to 50% annually. The entire field has now been pretty well covered, and we cannot expect government help to continue to increase at the same pace. The budget package devoted to housing will now have to level off, or at the very most keep pace with inflation. New objectives will now be realized more through the reallocation of funds than through new subsidies.

PART TWO

Orientation Proposals

Chapter V

Objectives

Chapter VI

An Integrated Set

of Proposals

CHAPTER V

OBJECTIVES

As citizens, how do we wish to be housed and what ideal conditions do we envisage? In the search for an ideal habitat and the pursuit of improved housing conditions, what is the specific responsibility of the State? It is important to distinguish between the two questions. It is not the State's responsibility to provide us with the best imaginable conditions. Its role is to encourage the constant pursuit of the well-being of its citizens through more spacious dwellings of better quality, but it must assume direct responsibility for only a reasonable degree ofresidential well-being. A positive orientation respecting the various aspects of housing can be divided into some ten objectives, all based on the same fundamental concern.

General Objective: To Guarantee the Possibility of Adequate Housing for Everyone and To Diversify the Options

Housing is an essential that no one can do without, especially in our climate. Everyone must have a shelter, an adequate home with a minimum of comfort in terms of temperature, space andfacilities, and the freedom to choose between different kinds and sizes of dwellings and various modes of occupancy. The enjoyment of minimum comfort and freedom of choice should guide all activity in the housing sector.

In our society, it is an accepted principle that households must themselves see to their accommodation and pay its costs.

Freedom to choose one's home is therefore a right that should be respected, and its corollary is the obligation of each person to take the initiative and devote his efforts to finding his own dwelling. This is important for households if only to ensure that the accomodation will suit their needs, tastes and preferences. A survey carried out for the ministère de l'Habitation et de la Protection du consommateur in the spring of 1984 shows that the wish for smaller quarters increases with age. If this were made easier, allocation of housing according to size of household would correspond better to public needs.

However, encouraging individual initiative has real meaning only if there are real choices and the means with which to choose.

This requires diversification of the housing stock in terms of type of building as well as in terms of size and quality. Ideally, each housing type should be available with different modes of occupancy: ownership, co-ownership, cooperative, private rental, non-profit rental.

It also requires that households be able to pay the costs of adequate housing. At present, some are limited in this respect. For example, very low-income households must remain tenants for all practical purposes, even though there is a variety of dwellings within their reach, old buildings with separate entrances or small buildings. It is therefore necessary to extend the possibilities for these groups.

A household may occasionally, in some cases often, move to another dwelling in an attempt to improve its situation. Such mobility is a valid adjustment mechanism for the consumer.

It is the responsibility of the State to see that each person has the resources necessary to secure accommodation. This responsibility is already assured by the income security policy. The basic transfers granted citizens who have no employment income, social aid or a pension, enable them to meet their basic needs, including housing at modest rents. In their case, therefore, financial responsibility for a minimal consumption of housing is assumed by the State.

In addition to ensuring minimum consumption, the State must see that households have a minimum of real choice.

The State cannot of course be totally neutral with regard to the choice of housing by users, for such consumption affects public expenditures for plant and equipment, as well as public health and safety. And it affects well-being and the quality of life. For all of these reasons the government cannot remain indifferent, but must state its preferences as to solutions and continue in its attempts to make other forms of habitat available. It should therefore support the development of new patterns of housing and new modes of occupancy.

The government should also make it easier to move from one dwelling to another as a means of adjustment, and at the same time minimize the effects of involuntary moves such as eviction.

This basic, twofold objective — to make each citizen responsible for his own housing conditions and to give him help when he needs it — determines all of the other objectives respecting the various aspects of housing.

Specific Objectives

1. To guarantee the means to pay for adequate housing of suitable size

The financial outlay required for housing must not prevent the satisfaction of other essential needs.

Considering current practices and the real composition of the budgets of households of different sizes, the expenditure to income ratios that seem

reasonable in the long term should not exceed certain levels. Traditionally, it is recognized that a household should not devote more than 25% of its income to housing. In fact, various empirical studies carried out in North America have shown that the expenditure to income ratio (that necessary to avoid having to cut back on other essentials) varies with the size of the household. In the light of these studies and those we have conducted, we have selected the following levels:

- 25% for families with two or more children;
- 30% for other households.

However, beyond a certain income level, higher ratios pose no problem, but rather reflect the choice of the consumer.

To maintain the ability to pay and prevent recourse to government assistance, it is important to achieve the best possible ratio between the quality and the price of all housing, including new homes. Pursuit of this objective therefore demands that the government assume certain responsibilities with regard to other aspects of housing.

The government must use various means to reduce expenditure to income ratios to near the critical levels, if these ratios are too high for the accommodation to which they apply. This is a sizable challenge, for there are about 150 000 households in this situation.

Compensating completely for inadequate income cannot of course be considered. But specific housing assistance may sometimes be necessary when the prices of comparable dwellings vary too greatly from one area to the next, and when households are unable to adapt at once to a situation in which there is a lack of housing at affordable prices.

2. To promote modes of occupancy — ownership, co-ownership, cooperative — that enable households to find the kind of homes they want

Individual ownership and co-ownership have several advantages both individually and collectively. These are:

- greater likelihood of occupying a dwelling and less risk of being ousted;
- improvement in the long term of the household's financial situation, for as the mortgage debt diminishes the costs of occupancy drop accordingly and savings are realized, leaving the user with greater leeway;
- better residential planning, since the sale of the house often allows the purchase of a new dwelling of better quality and better adapted to the owner's needs;

- better domestic management, i.e. upkeep and improvement, resulting in extension of the useful life of the housing stock and reducing the need for new dwellings.

The cooperative is another form which approaches ownership in this respect, for its members at least. It presents the same advantages, except for the savings aspect. However, since occupancy costs are relatively less, in the long term, than rents on the market, members of cooperatives may save in another way if they have the means to do so.

Given the advantages of these forms of occupancy, the government should accord them special treatment. This is already the case for individual ownership because of the tax benefits it enjoys, such as exemption of capital gains on the principal residence and of the implicit net income from the dwelling.

Since these modes of occupancy are socially very desirable, the government must try to make them more accessible for the greatest possible number of households that want them, and many do. More than half of tenants would like to become owners, while a little over a third are interested in becoming members of a cooperative (MHCP survey, spring 1984).

3. To increase the new housing supply with a view to favouring mobility through out the housing quality range

The new housing supply must satisfy the demand of new households and ensure the renewal of the housing stock.

Available dwellings must correspond to the way in which people wish to combine in occupying a dwelling. Demand depends on how user habits and tastes change, among other things, and the supply should take this into consideration and not offer housing that does not meet users' needs. It is therefore important that the vacancy rate, throughout the entire quality range, remain at a level allowing individual mobility and adjustment.

It would certainly be unwise to plan the new housing supply too far in advance because the formation of households, the manner of which changes constantly, is affected by many factors, some of them cyclical. The kind of housing most in demand is not the same for all groups, and sometimes varies according to fashion. It is also difficult to predict the reaction of the market to certain types of housing.

When we consider the demographic structure, and recent trends in consumption and in the modes of combination of occupants, we can expect an average of about 40 000 new households per year during the present decade. The housing stock must therefore grow accordingly. This does not mean, however, that we need a corresponding number of housing starts. As we saw in the

analysis of how the housing stock changed in the 1960s, new dwelling units are created from the stock by subdivision, addition and the transformation of secondary residences into principal residences. The optimal average in the coming years will likely be 35 000 housing starts per year.

The government must guarantee the conditions required to ensure a balance between the new supply and estimated needs. To do this it should provide a stimulus for increasing the housing supply, when it appears to be insufficient. In the long term the supply would adjust itself, but to wait does not seem to be either socially or economically efficient. When the supply is inadequate, tensions are created throughout the market which penalize many households and entail a risk that financial resources that could have a greater spread effect if they were used for other consumer goods will be used for housing costs.

By seeing that the supply remains at a sufficient level the government creates the conditions necessary for people to join forces as they wish. When such conditions are achieved, the government can then with justification favour certain modes of living together, particularly the family group.

4. To encourage steady, progressive improvement in housing and the residential environment

There is no limit to housing improvement except for the financial constraints, for there are few who do not wish to have more space, more comfort and better quality.

A building deteriorates with time, the rate depending on the care taken of it. To conserve its quality it must be regularly maintained and repaired. In the ownership sector this type of permanent reinvestment is common, to maintain the original value and even to increase it. This is the ideal way in which to manage the housing stock and is clearly to be preferred to restoration only when the state of the building requires it.

The quality of housing determines in large measure the quality of life in general.

The fact that our housing affects our health and well-being, and indeed because we must all have a roof over our heads, means that the government must give each household the opportunity of obtaining a home whose quality is deemed to be adequate, at a given time, with regard to:

- the number of rooms or the space available per person;
- the safety of the framework and the various components of the unit;

- hygiene, cleanliness, and sanitary installations;
- conservation of energy.

There must be a minimum of quality in each of these respects and the government must see to it. Beyond this minimum, quality is a personal matter.

5. To reconcile individual housing preferences, development requirements and the quality of the environment

Housing is an important aspect of urban planning, and its realization must take account of development limitations relative to public expenditure, incompatible land allocation, and the proximity of services and workplaces.

But planning must also take into consideration decisionsrespecting residential land prices, the quality of the physicalenvironment, the possibility of having several types of housing, and adaptability to changes in the demand. Good planning does notrun counter to the preferences of people for a given type of dwelling, but gives them due consideration by minimizing the disadvantages and maximizing the advantages; households must therefore know what the costs are. The separate, single-family house is still the ideal of most Quebecers. Therefore there can be no question of prohibiting this type of dwelling, even in the large urban centres. But it is important to encourage ways of making allotments of single-family houses less costly, by the way in which they are arranged in relation to each other or by a different use of the land. Other housing types should be personalized as much as possible to compete with the single-family house; certain models from Opération 20 000, a Montréal housing program, have shown that this can be successful. Individual preferences and behaviour, as opposed to the collective interest, concern, among other things, questions of esthetics and the architectural quality of buildings and residential projects. It would be contrary to the philosophy of housing to impose esthetic standards on anyone, for this is a personal domain that must be respected. What is considered commonplace in one period becomes fashionable in another. Nevertheless, the general plan must considered. Only by persuasion and example in a favourable climate created by public agencies can public opinion be won over. For example, mobile homes are sometimes the object of strong criticism. The fact that they do not always blend well with the landscape and that their lines are not always the most pleasing must not lead to their prohibition. Rather we should do more to improve their design and the manner in which they are placed.

The government, then, must not dictate the types of dwellings that are to be built, nor must it prohibit specific types unless they do not conform to minimum safety, comfort or hygienic standards. What it must do is promote housing types that seem best for the community and the most interesting architecturally.

Development of different types of buildings and residential neighbourhoods is the responsibility of municipal planning authorities. It is important that their choices be made in terms of housing needs and that sufficient account be taken of the effects of these choices on the residential land market.

6. To see that the housing sector remains competitive

Because of the unique nature of housing sites or the insulation of the sector against outside competition, the housing sector lends itself to the development of different types of rents that can lead to prices that are higher than completely competitive prices.

Despite this fact, if the sector is to operate effectively it must remain competitive in two ways:

- Profits from real estate investment, especially in the rental sector, must be comparable to those from investment in other sectors.

- There must be an adequate degree of competition in markets that furnish housing components: land, construction industry, financing, materials and professional services.

The government must see that there is a sufficient degree ofcompetition in each of these respects, and in particular that regulations, when these are justified, do not result in monopolies which prevent reasonable profits.

7. To encourage integrated residential measures for specific groups

In the case of certain groups, the elderly and persons suffering a loss of autonomy for example, housing cannot be dissociated from the services provided: maintenance assistance, personal care, help with meals, companionship, some form of supervision.

For these categories of occupants, housing should be considered together with all the related services. Proposed measures should be varied and come from the people in the field. The ministère de l'Habitation et de la Protection du consommateur is not responsible for instituting these integrated measures, but it must make certain that existing housing programs offer the conditions necessary for their realization. This presupposes ongoing coordination of the sectorial policies respecting these groups.

8. To create a climate of confidence and to see that adequate information is made available

If the housing sector is to function effectively and households make the decisions that are best for them, it is essential that:

- information about the state of the local and general market situation be detailed and made widely available. This information is also of use to those who supply housing and to public agencies operating in the field;

- consumers be not only informed but protected when they are making important transactions, particularly as for most consumers this does not occur often.

A climate of confidence can be created only if supply agents not only respect the basic rules but also do so on their own initiative, and if they give good service. The various sectorial associations can play an essential educational role here.

The government must ensure that all households and all agents have a system of adequate, detailed information. If necessary it must publish the information itself, especially statistical data.

It must also make certain that consumers of real property are protected by legislation and regulations.

9. To set up a coherent, general orientation structure

The objectives we have defined are as compatible as they can be, but none of them can be pursued without considering its effects on the realization of the others. A permanent balance must be the objective. The government must deal with all together if it is to act with maximum effect.

They point the way for each of the different aspects of housing. But it is unrealistic to imagine that they can all be fully achieved at the same time. In pursuing the quality objective, for example, we may dream of the ideal situation in which every person has at least two rooms in a completely sound-proofed apartment close to all services, and be able to move when it suits him because there are always vacant dwellings. But to make such a ideal reality would require such an outlay of public funds that other sectors of activity would be jeopardized.

We must be realistic; but at the same time we must resolutely seek to improve the situation as much as we can with the resources we have. Such determination forms the basis of the proposals that follow.

CHAPTER VI

AN INTEGRATED SET OF PROPOSALS

Housing is a world of communicating chambers, of interdependent types of behaviour, a realm whose aspects vary according to circumstances: quality, quantity, accessibility, availability of land, housing prices, acquisition of a new home for some and of an existing one for others.

Any action undertaken with regard to one aspect must take account of the effects on the others. If the objective is a specific one, such action must help in the achievement of the other objectives, or at least not impede them.

Most action undertaken by the government in the housing sector will be fully effective only if it mobilizes the efforts of other agents in the field in like manner. For each proposal, then, it is important to examine government intervention and concomitant private action which could maximize its effects, replace it in part, or even completely.

The orientation suggested in this document indicates the new lines of action that seem best, given the preceding analysis and the objectives stated.

The agents working in the field must discuss them and, in turn, present their own proposals. It therefore seems important that these agents not limit themselves to making proposals for the aspects that most concern them, but that they also evaluate and present them as part of a more global approach. Hence it must be kept in mind that the goal of the proposed lines of action comprises a set of objectives. These lines of action must also aim at:

1. horizontal equity (the same aid for all at the same income level) and vertical equity (assistance inversely proportional to income level), for the duration of a housing assistance program, for recipients of financial aid;

2. keeping regulations to a minimum;

3. as far as possible relying on those concerned to assume responsibility for their own housing conditions;

4. ensuring that the combined effects of the programs first improve the situation of the groups facing the most problems;

5. designing programs that will meet needs, even under variable local conditions.

Minimum Coverage for Housing, a Basic Need

Since housing is essential, each household must have the resources to procure it. If there is no work income or pension, transfer programs, social

aid in particular, fill this gap so that basic needs can be met. In 1982, the government ensured that 243 910 households receiving social aid were able to pay their rent; 84% of these were tenants and 16%, owners. It is estimated that, for all recipients, the government allocated $550 million for housing in 1982 and $691 million in 1983. In accordance with the objectives of equity and a return to work for able-bodied persons, the portion of social aid allocated for housing must be in line with the real housing costs of the small wage earner. In order to respect the autonomy of households and allow them to apportion their budget as they wish, it is preferable to include this amount in a lump-sum payment rather than pay it out separately.

The housing component of the basic allowance is calculated on the basis of average real expenses.

Generally speaking, the amount provided seems sufficient to cover the costs of inferior but reasonable housing.

When we compare the amount allocated to housing to the total benefit, we find relatively high expenditure to income ratios, at least with regard to the 25% and 30% levels suggested in this document. This is the result of comparing an expense covering a long period, which is difficult to reduce, with a budget established in accordance with short-term basic needs considered in principle, except for persons who are unable to work, as a temporary measure. In the circumstances, the high expenditure to income ratios are not abnormal. However, they cannot be regarded as standard for all low-income households. This means that, in the case of additional aid for housing for certain social aid recipients, eligibility levels cannot be established on the basis of their expenditure to income ratios.

Action scenario

Maintenance of present, lump-sum basic transfers as set by the ministère de la Main-d'oeuvre et de la Sécurité du revenu, subject to review in the light of studies in progress at the ministère des Finances on the reform of taxation.

Improvement in the Capacity To Pay for Adequate Housing

In pursuing the objective of improved capacity to pay, it is important to see not only that low-income households do not devote too large a part of their budget to housing, but also that they have housing of reasonable quality.

Housing allowance

The most acute and the most common housing problem is lack of the ability to pay, even though it affects only a minority. It is estimated that about

156 000 tenant households must devote more than 25% of their income, in the case of families with two or more children, and more than 30%, in the case of other households, to housing. This problem of financial accessibility affects only low-income families.

At present 20 000 of these households, made up of persons 65 or over, receive an average monthly housing allowance of $38 under the LOGIRENTE program. This year persons between the ages of 60 and 64 will also benefit from this program. In addition, most households with this problem receive the PTC (property tax credit), the average monthly benefit being about $15.

As stated above, social aid ensures minimum coverage of basic needs, including housing, for those with no income of any kind. However, calculating the housing component on the basis of average real expenses presents a certain danger from the point of view of meeting this need. In relation to the other essential needs, housing has the following characteristics which must be taken into account:

1. Variability of housing costs. Rents for large, good quality dwellings vary enormously from one region, or municipality, to the next. For the same size of dwelling, there is a difference of between $700 and $1 000 a year between the average rent in the centre where it is highest and that in the centre where it is lowest.

2. Availiability of housing at a given rent. The number of such dwellings on the market is not necessarily sufficient to meet the needs of low-income households. Whatever the case, housing at a rent lower than or equal to the level provided for in the social aid allowance is less available hence less interchangeable, than are basic foods for those who live on transfer payments. This, in conjunction with variability, explains why the range of rents paid, even by very low-income households, is wide. For example, according to the 1981 census, the average monthly housing costs for households with incomes of less than $10 000 was $223, varying from $185 to $253, depending on the number of rooms.

3. Adjustment of housing consumption. Housing consumption cannot be as rapid as the consumption of other goods because of the lack of available dwellings at low rents at a given moment and the notice that must be given in order to move.

Because of these characteristics and the market itself, the average amount provided for housing may not be sufficient to enable some households receiving transfer payments to find adequate housing. They may be obliged to pay more without consuming more. On the other hand, a general increase in the basic allowance for housing could result in a level of benefits higher than that really needed for reasonable housing.

The housing allowance formula is much to be preferred over a general increase in the social aid allowance, and even over public housing itself, in order to take these special cases into account and to lower overall the expenditure-to-income ratio of other low-income households, when there is a shortage of housing. The advantages are particularly marked when there is a large non-profit sector. These advantages are as follows:

° The housing allowance encourages households to find an adequate dwelling because it reduces the expenditure-to-income ratio to a reasonable level without compelling them to overconsume, since it only intervenes this side of certain rent ceilings corresponding approximately to the average price for reasonable rental housing. Furthermore, it does not prevent a household from choosing to underconsume, that is to say, from occupying a dwelling of inferior quality in order to devote a smaller amount to the rent, although there is a risk here of losing the the allowance.

° A housing allowance does not replace people. It does not remove the household's responsibility -- or its freedom -- for finding its own dwelling, nor does it imply the authority to assign housing.

° A housing allowance, as a supplementary aid, is less costly than any attempt to take over the average housing expenses incurred by social aid recipients. This formula could be tied in with LOGIRENTE or become part of the present social aid plan.

. A housing allowance is less expensive than the operating deficits of new LRH. More needy households can be reached by its use.

° A housing allowance is also a simple, inexpensive management program, which does not require a large administrative staff.

A housing allowance could become expensive, however, if the rents recipients are paying were to rise much beyond the increase in their income. Normally, the rent of recipients should increase at the same rate as the rest of the market. In certain cases it could be a little faster, if the recipient enjoyed an allowance so he could find better housing. This would be beneficial if the allowance were intended to improve the lot of the most badly housed. However, given the characteristics of the client groups for whom the allowance is intended, who are often the least mobile, the danger of rapidly rising rents persists. There are, however, ways in which such a tendency can be checked:

° a housing allowance such a LOGIRENTE, which encourages recipient households to keep an eye on rent increases if they must pay part of the increase themselves;

- using the arbitration services of the Régie du logement if increases in rent seem excessive to recipients. Specific information about how increases are calculated should be given to these clients;

- the existence of a vigorous, influential non-profit cooperative sector, in which housing allowance recipients are to be found, through which the inflationary tendencies of a more comprehensive program could be checked.

Given the present provisions of the housing allowance and other measures proposed here, the danger of an escalation in program costs is slight.

At present, the housing allowance is granted only to the elderly (the 60 to 64 year group will become eligible this year) and supplements another measure of housing assistance: the property tax credit. The complementary nature of LOGIRENTE and the PTC is easily justified. The property tax refund diminishes the financial burden of the dwelling, since taxes represent a large part of the cost of occupancy.

This connection between LOGIRENTE, which is concerned with all the costs, and the PTC, which concerns only part of these costs, is not well understood generally speaking. Recipients are not always capable of correctly assessing the assistance they receive, particularly as the PTC is paid once a year and the housing allowance every month.

As a tax measure, the PTC benefits close to 750 000 households. It is calculated on a monthly basis, and averages about $15 . For most of these households, the capacity to pay for a dwelling is no problem. But for those who do not have the means to house themselves adequately, the PTC reduces the expenditure-to-income ratio to a reasonable level for some only. For all the others it is insufficient, especially when the amount of financial help needed to lower the ratio to a reasonable level is greater than the amount of taxes actually paid, which can happen in the rental sector.

Action scenario

- **Extension of the housing allowance (LOGIRENTE) to all low-income households without the resources for housing. This could be carried out gradually, giving priority to the most impoverished groups.**

- **Total or partial amalgamation of the housing allowance (LOGIRENTE) and the property tax credit (PTC).**

- **In the same way, extension of the housing allowance to integrate the rent supplement.**

- **Distinguishing between the terms and conditions of assistance and those of eligibility for the housing allowance, depending on whether it is a matter of households with or households without children, tenants or landlords, Workers or income transfer beneficiaries.**

Definition of minimum desirable quality of an adequate dwelling

The government is responsible for ensuring that all buildings, particularly those which serve as dwellings, are safe for the persons occupying them. Such responsibility concerns mainly thecleanliness and solidity of the structure, as well as safety from fire and accident. It must see that all buildings meet the requirements for ensuring that such hazards are reduced to a minimum.

But it is not considered to be the government's responsibility to control other aspects of buildings, which have more to do with architecture, esthetics and comfort. It is preferable that these areas, however important, be left to the municipality or to the household itself.

Minimum safety requirements concern structural soundness, cleanliness and public hygiene, and protection against fire and accident. They are generally contained in a building code, and change with time. They tend to become more demanding as techniques and the use of construction materials develop, and as living standards improve. Given such changes, it has become important to distinguish between two levels of minimum requirements:

- A minimum degree of quality is demanded of all existing dwellings, whatever their age. A dwelling that does not meet such standards cannot be rented or offered for rent for residential purposes. Even the owner must not occupy it, particularly if it does not comply with fire protection standards.

- An additional degree of quality is required of all new buildings. Requirements are higher than those applying to buildings of earlier construction.

At the present time the reasons for government intervention in defining housing quality requirements are not always clear, and there are too many, uncoordinated regulations governing them, that are often difficult to apply. The most important body of rules governing new residential construction is contained in the National Building Code. But these apply to only a portion of residences, those considered to be public buildings within the meaning of the law, that is, structures of more than two storeys and eight units. Even though a number of municipalities and certain lending institutions demand that new dwellings, whatever their size, comply with this Code, it is not applied in its entirety throughout Québec.

There are several regulations governing existing buildings, notably the Regulation respecting safety in public buildings, the Regulation respecting housing and the Regulation respecting salubrity in public places. These regulations are in many instances out of date and do not apply equally to all types of residential buildings. In the present circumstances it is hard for landlords, tenants and even building specialists to know exactly what the government and local administrations require in the matter of minimum quality, despite the fact that such requirements are of major importance to public security, residential well-being and the cost of housing.

Practical measures are needed to correct these shortcomings, especially with a view to consolidating and simplifying housing requirements and weeding out the anomalies, in order to make them easier to enforce.

Action scenario

New residential buildings

- **Municipalities having regulatory powers, all new buildings would be subject to a single building code, whatever their location, size or use. However, certain exceptions would be made for owners building their own homes.**

  The Building Code would be a compilation of standards applicable everywhere in Québec: Québec Housing Code, Electrical Code, Plumbing Code, Act respecting the conservation of energy in buildings, provisions respecting the handicapped, and so on. The task of building specialists would in this way be made easier.

The beneficial effects of such a measure would be even greater if the municipalities were not permitted to impose requirements additional to those contained in the Building Code.

Existing residential buildings

- **All residential buildings of more than two storeys and eight units would be subject to the Safety Code, regardless of the date of construction.**

  The Safety Code would consolidate the minimum requirements for all existing buildings, including those concerning cleanliness and hygiene, structural soundness and protection from fire and accident.

Conversion and restoration

- **All residential buildings being restored or converted for residential purposes would be subject to the Building Code.**

These buildings would not automatically be subject to all the conditions applying to new structures. One chapter of the Code could be specifically concerned with requirements for special cases of restoration. This chapter need not be included at the outset.

If the Building Code and the special requirements seem not to be applicable to one particular building, compensatory measures could then be taken. Such measures could be established by a committee made up of persons delegated by the Minister.

Fit for habitation: minimum conditions

- The minimum requirements for making a dwelling habitable would apply to all residential buildings and concern the building itself, its upkeep and its safety conditions. These requirements would be submitted to tenants, landlords, municipalities and contractors for discussion before being published. Such rules would be useful mainly for existing small residential buildings not governed by the Building Code and the Safety Code.

Adoption and application of codes

- There are two possibilities. One, the municipalities would retain the power to adopt standards similar or additional to those laid down in the Building Code and the Safety Code. Agreements would be negotiated with each of them respecting the application of provincial codes as well as the encouragement of minimum requirements. Application could be carried out by means of an agreement between the MHPC and each of the municipalities, which should stipulate the terms and conditions for delegating enforcement of the codes to the municipalities.

- The second possibility is legislative amendment to redistribute responsibilities, on the agreement of the municipalities. The municipalities would give up their powers of preparing and adopting standards and would be entrusted with application of the provincial building and safety codes.

Application of the codes on municipal territory should be self-financing, if the municipalities agree to this.

It was the second possibility that was chosen by Ontario in 1975, making the municipalities solely responsible for applying the Building Code within their boundaries, while the Ontario government is responsible for adoption of the various provisions.

Encouraging Individual and Collective Home Ownership

Encouraging individual, collective and cooperative home ownership may be done in a number of ways. The two principal ones are assistance for the person or the household, and assistance for specific forms of ownership.

Limiting assistance to the person, leaving each to choose the form of ownership he wishes, is not necessarily the most effective means of encouraging home ownership, because households do not have the same means, and not all forms of ownership are easy to achieve at the present time. Encouraging home ownership should therefore be done by means of assistance by formula in order to mitigate the conditions that make some forms of ownership less attractive. The government has particular reason to give priority to certain forms, such as co-ownership by converting existing buildings, and cooperative ownership, for they are conducive to a real increase in the number of homeowners since they make ownership possible for households with modest means.

Home ownership assistance

Most households are, in fact, able to become owners without too much difficulty, that is, without having to devote too great a portion of their budget to doing so. There are no precise statistics on the subject, but it is estimated that about 40 000 tenant households become owners of new or existing dwellings each year. The role of government should be limited to giving temporary assistance to households for whom home ownership entails financial difficulties, that is, households with incomes lower than the average.

These difficulties can be of two kinds: not enough savings for the initial capital investment and mortgage payments that are too high for the first years. Usually the initial capital investment is not too difficult to find. In any case, the government cannot provide the full amount of the capital investment since home ownership is dependent on habits of saving. Nor does mortgage repayment mean an insupportable financial burden generally. Of the households that benefit from the Home Ownership Assistance Program, only about a third have to devote more than 25% of their income to repayment (capital, interest, taxes). But if current expenses are added, the costs may reach a level which discourages households with modest means from buying, even if this situation lasts only a few years. In such cases, government help is justified in order to continue to make home ownership possible. Such temporary assistance is particularly important for households whose composition already entails special expenses, that is, those with dependent children or elderly persons living in the same house.

In contemplating such assistance, it must not be forgotten that home ownership means an improved situation, particularly since it entails compulsory savings and allows the acquisition of considerable assets. Owning a

home is a form of long-term saving; government assistance must stress the savings aspect of home ownership, i.e. the assets constituted by a home that is completely or partly paid for.

Nor should it be forgotten that home ownership has pronounced positive effects on the economy. When it is a question of new housing, investment is stimulated and jobs are created. The choice of a new dwelling or an existing one may be left to the household, as is the case with the Home Ownership Assistance Program, or the purchase of a new dwelling may be encouraged in a period of economic slowdown by means of such programs as CORVÉE-HABITATION.

Action scenario

Revision of programs

CORVÉE-HABITATION

As announced in the May 24 budget by the Minister of Finance, CORVÉE-HABITATION will come to an end on December 31, 1984. This program of assistance for ownership of a new dwelling was set up, in conjunction with agents working in the field, to support the demand for housing and to stimulate the construction industry in a period of pronounced economic slowdown. CORVÉE-HABITATION had a number of positive effects on the market, notably by boosting the number of housing starts that, without this program, would have fallen to such a level as to result in a housing shortage. The program was an outstanding instance of cooperation among the agents in the field of residential construction. For buyers, it was a kind of insurance policy in a difficult period.

- **Even though the situation does not have the same sense of urgency as in 1982, we must not hesitate to use this kind of program again should the economic situation worsen.**

- **In any event, we feel that the special tax provisions allowing greater use of the RHOSP, whose funds now total close to $1 billion, should be maintained.**

- **We also think that use of the RRSP, with funds standing at over $5 billion, should be permitted to buy a principal residence, in the same way as the RHOSP, and that it be supplemented by a home-savings program (see below).**

Home Ownership Assistance Program

- **With a view to maximizing the real effects of the program, its parameters should be changed to take household income into account. This would limit the number of cases in which help is a bonus on a purchase that would have been made in any case.**

- **The capital subsidy connected with the birth of a child should be abolished. However, account should be taken of family costs by means of a reduction in interest to bring the expenditure to income ratio down to 30% for families with one child, and a further 2 points for each additional child.**

- **The program would remain limited to families with children who are buying a house for the first time, and families with a handicapped or elderly member would be added to the list of those eligible.**

Home savings plan

A home savings plan is a measure that could be instituted with a view to encouraging households to save in order to accumulate the capital necessary for the initial investment on the purchase of a home. Once the dwelling has been acquired we should speak rather of home savings, or the savings constituted by a home, since progressive repayment of the mortgage is itself a way of saving.

- **We therefore believe that the capital investment in the purchase of a principal residence and the contribution to a retirement plan should be made interchangeable by the creation of a home savings program (LOGÉPARGNE).**

- **The initial investment and part of the capital repayment on a mortgage for a principal residence would then be eligible for the same tax benefits as contributions to an RRSP, and conversely the RRSP could be used to purchase a main residence.**

- **Such a measure would doubtless accelerate repayment of the mortgage, thereby making it easier, after a number of years, to invest more in an RRSP at a younger age. This would no doubt favour the emergence of new formulas for mortgage repayment in addition to channeling more capital into the residential construction sector.**

Simplification and standardization of the co-ownership plan

Home ownership can also be encouraged through greater accessibility to different types of ownership, and one way is to simplify and standardize the co-ownership plan.

Despite its intrinsic constraints, co-ownership has increased rapidly over the past few years. In 1981, there were 13 000 dwelling units under divided co-ownership, and their numbers have continued to increase. In Montréal, where the phenomenon is most in evidence, there are close to 10 000 homes under undivided co-ownership.

Along with the increase in home construction and in the conversion of buildings for co-ownership, many problems have arisen having to do with how co-ownership operates on the one hand and, on the other, with builders' or sellers' practices or with a certain lack of protection for buyers.

Since co-ownership is increasing, it is important to have a legal framework to provide adequate control over the workings of co-ownership and to give buyers at the time of purchase the information they need about the implications of this type of ownership.

The legislation governing divided co-ownership passed in 1969 should be amended to take account of how the phenomenon has developed. Reform of the undivided co-ownership plan, now considered by the Code to be in an undesirable provisional state, is essential.

Action scenario

Bill 58, an Act to add the reformed law of property to the Civil Code of Québec, introduced in the National Assembly in December 1983, proposes changes in the legal co-ownership plan. Basically, these changes are in line with the MHPC's concerns in this matter. We therefore recommend that this Bill be adopted and come into effect as soon as possible, especially with regard to the sections dealing with co-ownership. The main points of the reform concern:

1. Legal framework of divided co-ownership

- **Rules would be instituted to harmonize resident co-owners' relations with the seller and with co-owner investors: limitation of the number of votes of the builder or seller, rule to control the accounting of the latter when he ceases to have a majority holding, possibility of putting an end to certain contracts made by the vendor which endanger the interests of the co-owned property, limitation of the number of votes of a non-resident co-owner to 10% of the total, even if he owns more than 10% of the units, in order to ensure that the interests of the investors do not conflict with those of the residents.**

- **The general meeting of co-owners would be designated a legal person with a view concluding contracts, borrowing, and instituting legal proceedings more easily.**

- **The general meeting should be able to create a reserve fund for major repairs and replacement of building components.**

- **Important decisions relating to the co-ownership should be made by a large majority (90%) rather than by unanimous vote to prevent any person from using his vote as a bargaining tool.**

- **Various changes should be made in the rules governing the manner in which co-ownership operates.**

2. Legal framework of undivided co-ownership

- **A minimum number of supplementary regulations should be adopted to establish rules for this type of ownership, leaving it up to the parties to organize or reorganize their relations.**

- **Each co-owner would be allowed to mortgage his own share in the property.**

- **Co-owners would enjoy a right of pre-emption, that is, a prior right to purchase the share of the property offered for sale by a co-owner.**

- **There should be rules governing the powers of the manager.**

- **Partition of a co-owned property could be deferred, by agreement, for a maximum of 30 years but demanded at any time with the object of establishing divided co-ownership.**

Conversion of rental property

If we wish to see the number of owners increase, more tenants with modest resources must be able to acquire property. Conversion of rental property may be the answer, if properly controlled.

Conversion, particularly of small buildings, is going on at the moment, but often at the tenants' expense. Since 1976, there has been a parallel or underground market to bypass the moratorium on conversions for the purpose of divided co-ownership, announced in December 1975 and still in force. This really began in earnest in 1978. In June 1981, Bill 20 (S.Q. 1981, C-16) limited the right of a co-owner to retake possession of a unit in a building with four units or less.

Undivided co-ownership is mainly (90%) to be found in buildings of four units or less. On the basis of a survey carried out by the MHPC, it is estimated that 10 000 dwelling units are held in undivided co-ownership in Montréal, half of which are in neighbourhoods near the city centre. In Québec City, undivided co-ownership is more limited and is restricted to the Saint-Jean-Baptiste and Montcalm districts.

Conversion into undivided co-ownership differs from the divided co-ownership process in that it is the potential owners of property held in undivided co-ownership who organize themselves and look for property that suits them. When they find it they evict the tenants in order to occupy the property themselves. The tenants are thus deprived of the chance of buying their dwelling.

According to a survey made of about 100 cases, the new population of co-owners is younger (most under 35), has a larger proportion in the labour force (a great many households have two incomes), has more schooling (80% have university degrees) and is richer (most have a family income of more than $25 000) than the tenant population evicted.

Fewer and fewer tenants in Québec are able to realize their dreams of becoming owners of detached, single-family homes. In 1983, only 15% of tenants were able to buy a new single-family home at an average cost (about $56 000) without their expenditure-to-income ratio exceeding 30% (heating and maintenance costs are included in calculating housing expenses). On the other hand, the number of tenants able to become owners goes up considerably when it is a question of buying an existing rental dwelling. In 1983, in Montréal the average assessment of a unit in a duplex was $31 280, in a triplex, $22 000, and in a building with four or five units, about $13 000.

If the cost of occupancy of former rental properties remained the same after conversion into co-owned properties, a great many tenants could buy them.

But a jump in occupancy costs resulting from a rise in prices of properties sold for conversion to co-ownership, by comparison with prices for the same dwellings when rented, or from a sharp increase in taxes, would have a dissuasive effect on those hoping to become owners. Such an increase is more probable in buildings purchased for divided co-ownership than in buildings purchased for undivided co-ownership, since the former is subject to a higher property tax.

If these two deterrents could be overcome, co-ownership would be easier to achieve and possibly more in demand. A number of tenant households are already showing interest. In a survey conducted on behalf of the department in 1983, 11.3% of the tenants questioned said they were interested in becoming co-owners of the dwelling in which they were living. This percentage indicates an important body of potential buyers, although conversion has not yet become widespread or controlled.

If conversion, once made official and subject to control, were to become more widely accepted, the effects could only be beneficial. Studies made on the subject in the United States and in Québec show that for some tenants this would be a chance to become owners more quickly than they had hoped. These tenants were relatively young (under 40) and most had incomes above the average. But for tenants with fewer resources, conversion often means eviction followed by higher rents or lower quality in the new accommodation. A study made of some 100 tenants who had been evicted showed that the average increase in rent was 18%, and 46% were forced to rent smaller dwellings. In addition, 53% of these tenants had to change neighbourhoods, although most remained in Montréal. There is also a danger that the rental stock will diminish. In the

United States, a nation-wide survey carried out by HUD (American department of housing and urban development) showed a net loss of 5% in rental housing because of conversion for purposes of co-ownership. This figure is not too disturbing for the nation, but for certain local markets it was more distressing. Regulations that clearly favour the purchase of dwellings by those renting them would definitely lessen such negative effects.

Given this situation, its possible developments and the goals pursued, rules governing conversion should have the specific objectives of:

- promoting co-ownership among those with small incomes;
- facilitating the acquisition of dwellings by those renting them;
- minimizing the negative effects on tenants of eviction;
- providing potential buyers with adequate information about the specific features of property held in co-ownership.

The rules governing conversion should apply to all types of buildings since the purchase of small rental properties (those with two to five units each with its own entrance, for example) for conversion for undivided co-ownership purposes has the same effect as the conversion of larger buildings. Both cases should be treated in the same way.

Action scenario

Co-ownership conversion

- **To allow conversion of rental properties into co-owned properties. For all practical purposes this would mean putting an end to the moratorium.**

Controlling conversion

If we wish to facilitate co-ownership, and at the same time minimize the negative effects of a change in tenure, a minimum of control is essential to the protection of tenants and buyers. Various possible regulations may be envisaged. Below we give a number of ways in which discussion of the sensitive areas could
be directed.

Protection for tenants

In order to give priority to facilitating co-ownership for tenants with modest means, protection must include:

- **the right of pre-emption or first refusal for tenants occupying a dwelling, individually or collectively, if they decide to form a non-profit organization or a cooperative;**

- **the obligation of the owner proposing to change the mode of occupancy of his property to offer the units to his tenants before selling them outside at a price lower than that proposed to them;**

- **the right of the owner to undertake conversion, the nature of which must be explained, for the benefit of the tenant;**

To lessen the negative effects on the evicted tenants of conversion for the purposes of co-ownership, certain things should be granted, such as:

- **some kind of compensation for tenants to cover moving expenses;**

- **special status for the handicapped and the elderly;**

- **a reasonable time period between notice of conversion and moving.**

Protection for buyers

To make certain that buyers wishing to convert their purchase into co-owned property have sufficient information about the special features of the building, regulations should be adopted to oblige the promoter:

- **to engage a competent professional to make a technical report on the condition of the building: the structure, mechanical components, sound-proofing, insulation, etc.**

- **to furnish a statement of the expenses of operating the property during the past two years and a certified copy of the normalized municipal assessment.**

Real estate brokers and agents who handle co-ownership transactions should receive special training.

Development of cooperatives

Low-income tenant households seldom have a choice of tenureof a dwelling. They cannot buy a single-family home, and some cannot become co-owners. Furthermore, the number of public housing units is limited. They are left with no alternative but to rent in the private sector.

For all households, of whatever kind, but more particularly for modest and low-income households, a cooperative has definite advantages. It offers greater assurance of being able to remain on the same premises than does the

open market, and at the same time gives them an opportunity to take part in the management of their building, for cooperatives demand greater management participation on the part of residents than most other modes of occupancy. Rents in a cooperative tend to deviate from those in the private rental sector over the long term, which has the effect of improving the ability to pay for housing and provides a kind of income, as opposed to the private sector. Therefore the cooperative sector offers an economic form of housing for households with modest means.

These advantages are within the reach of tenant households, even those with only modest resources. If they are able to pay private market rents for a suitable dwelling (rent which includes aportion of the return), in principle there is no reason why they cannot pay the rent of the same dwelling as members of a cooperative (rent which includes even the reserve fund for major repairs and replacement of building components). If this is their wish, and they would like to achieve it themselves, a change in the mode of occupancy should not pose any special problem, providing there is an appropriate method of financing. In this respect, development of the cooperative sector will be of special significance since it will be carried out with what is available in the housing stock, whether restoration is needed or not.

In view of these undeniable advantages, the government should encourage development of the sector when the initiative is taken by the tenants themselves or when development is wanted by people who are willing to invest their time and energy in the project, and even their money.

The way in which such encouragement is to be given should be based on the following principles:

- According cooperatives an advantage comparable to that provided by home ownership assistance, in both extent and conditions. In both cases it is a question of assistance for development of a socially desirable mode of occupancy. This type of help should be granted to all types of cooperatives.

- Since this sector is still in its infancy, and since its target clientele is mainly, but not exclusively, the modest and low-income group, special assistance for development should be given to this sector. It should be viewed as an investment in cooperative development and take the form of a temporary supplement rather than a permanent grant for occupants of subsidized housing, for example, a loan which, once repaid, can be used for investment in other projects. Since the initial subsidy would create a gap between rents in the cooperative sector and those in the private sector, it would be reasonable to use part of the difference for a self-development fund for the sector.

Specific help for cooperatives is justifiable in particular because the sector is advantageous for low-income households, and it is essential to ensure that they are the ones to benefit. There are two possibilities: making an outright grant of part of the subsidy if the cooperative signs an agreement to the effect that it will serve low-income or modest-income families (roughly the lower third of the income distribution scale), and making the whole of the subsidy refundable at the end of a given period. The latter is the easiest formula to administer and there is no restriction as to tenants, who would then benefit from the extension of the housing allowance in the same way as other beneficiaries.

Action scenario

Revision of the LOGIPOP program

In December 1983, the LOGIPOP program was changed to combine home ownership benefits (CORVÉE-HABITATION) and a capital subsidy.CORVÉE-HABITATION is a program of a cyclical nature which will come to an end on December 31, 1984.

Following the pattern of CORVÉE-HABITATION, the LOGIPOP program could be redesigned to combine two different kinds of assistance:

- **a capital subsidy equivalent to the average subsidy proposed for home ownership;**

- **a temporary subsidy, repayable in whole or in part; this aid could be granted by an independent company which would manage a fund supplied by borrowings on the market, reserves loaned by cooperatives, or other forms of cooperative contributions.**

The government could grants loans and assume responsibility for part of the interest; this would reduce the disbursements required for the development of the cooperative sector.

As far as new homes are concerned, combining these two forms of assistance would make acquisition more possible for people with modest means, provided the cost was reasonable and comparable to that of private rental properties. In effect, the attraction of the program for the target clientele would disappear if the subsidies intended to improve financial accessibility only served to increase costs for this group.

In purchase and restoration operations, the accumulation of subsidies for restoration (assistance according to formula being disassociated from that granted for the building) would make it possible to reach a clientele with even slimmer resources (incomes between $10 000 and $20 000), if the work were conceived as restoration of the building according to minimum standards and

not necessarily as restoration to the original state when this is not essential. In such a case, rents should remain at a level that permits occupants to benefit fully from the housing allowance.

Other supplementary measures

Acquisition fund for the GRT

- **The purchase of a building for a cooperative should not be prevented or hindered by the difficulty of finding the capital investment. To get around this obstacle, the Groupes de ressources techniques (GRT) could be granted a special fund for the acquisition of dwellings, to be used in accordance with clearly formulated rules.**

Financing

- **Members of cooperatives should take out insurance or choose a form of mortgage repayment which minimizes the negative effects of fluctuating interest rates when mortgages are renewed.**

- **The costs of all projects undertaken should be modelled on those in the private sector. Once they are completed, a rigorous accounts management system must be set up which, from the outset, provides for the creation of a fund for repairs.**

Other cooperative formulas

- **The cooperative housing sector, now almost entirely made up of rental cooperatives, could develop new forms. In addition to the existing housing service cooperatives, the management and maintenance cooperatives, acquisition cooperatives, conversion cooperatives and management cooperatives, there might be progressive capitalization cooperatives in which members, when they leave, could withdraw not only their "part sociale" but also the portion of the capital, paid in the form of rent, in the mortgage repayment, adjusted according to established rules. Such forms should be developed, then tried out and assessed.**

Responsibility of the community

Cooperative development cannot be planned and organized from above, by the government; it is not a matter of a public sector in disguise. The government provides the means, but development must be a matter of local initiative. If it were otherwise, one of the sector's advantages, decentralization of management, would disappear.

It is therefore up to local groups and organizations, private, cooperative or municipal, to encourage initiative, find desirable land and buildings, and

plan and carry out the operations. And existing cooperatives must play a major role in the development of this sector by the people in the community.

Two types of organizations could play a very special role:

1. Groupes de ressources techniques, commonly known as the GRT; they were set up in answer to public demand and given an operating grant. Their efficiency has increased with experience, and they have acted in many instances as the working arm in starting up cooperative projects.

- **They should not, however, be regarded only as promoters but rather more as the artisans of housing initiatives, taking their raison d'être and their main source of revenue from the widely varying cooperative projects they are promoting.**

- **The operating grant they receive, after the necessary ground work has been done, should only be continued if it really helps finance the work of encouraging and training potential members of cooperatives, by its nature difficult to capitalize.**

2. Regional federations. As they have increased in number, housing cooperatives in several areas have formed regional associations, with functions that vary from one region to the next. By pooling their experience, these federations could play a very useful role in improving project management, developing reserves, and even creating new forms. Working in this way, their relations with the GRT could become even closer than at present.

- **If such federations are composed of cooperatives that have come together voluntarily, there is no need for the government to subsidize their operation directly, but rather it should designate them as spokesmen in all developments in the sector.**

Maintaining a Viable Rental Sector

Maintaining adequate financial accessibility with regard to housing and a range of choices is dependent on the sound operation of the rental sector.

This sector is very important. In it are to be found 47% of Québec households, generally speaking those with the fewest resources. About 95% of the sector is private. Its relative importance is declining, and it can be expected that it will grow less quickly than the owned and co-owned property sector. Demand indicates that the rate of construction of rental housing will continue to be much the same as in the past few years, unless costs take an unexpected upward turn. In 1983, close to one-third of tenants had, in theory, the means to acquire new rental accommodation (and nearly two-thirds of landlords, if they wished to become tenants, which seemed to be the case

for about 8%). Building rental housing at the present rate, even without subsidization, therefore depends on a fairly large potential market as long as this mode of occupancy remains popular. In the rental sector, therefore, more attention should be paid to rents and the internal diversification of the sector than to construction.

Maintaining the balance between the returns on owners' investments and affordable rents

The role of the Régie du logement goes beyond fixing rents. It is concerned with other disputes between landlords and tenants — eviction, retaking possession, drop in services, failure to pay the rent, and so on — and deals with them in simpler fashion than recourse to the Courts entails. In cases other than fixing rents there are fewer delays in hearings and few complaints are to be heard about this aspect of the Régie's work, except with regard to execution of judgments rendered. In this respect, then, the provisions of the Act should remain as they are.

With regard to fixing rents, we feel for a number of reasons that some form of control must remain. As a whole, the resources of the rental clientele, largely composed of single people and single-parent families, grow less rapidly than those of other households. It includes people for whom having to move because of a large increase in the rent is a distressing experience, especially the elderly. But the rise in restoration operations necessarily means an adjustment in rents; for most tenants such increases result in a more or less temporary imbalance in their budgets. These trends, which make the situation of certain groups more insecure than ever, do not indicate a need for more control or for a freeze on rents but rather the necessity of finding ways of compensating for such increases.

Rent controls do not need to be made universal and obligatory in order to achieve efficiency and the two objectives of compensating for sharp rises and maintaining a reasonable degree of profitability. Such a measure would only mean unnecessary bureaucratic interference. At pesent 98% of landlords and tenants are able to come to amicable agreements, and the services of the Régie are available to help negotiations for better results. The idea of widespread control to settle the problems of tenants who constitute a sort of captive clientele, that is, those who cannot move easily, the elderly or the very deprived, for example, is sometimes put forward. If this is really the purpose of more widespread control, it would be more effective and less costly to achieve it by means of information campaigns directed specifically at these groups.

Rent control need not be uniform any more than it need be obligatory. To impose the same percentage of increase every year would distort the market and lead to unequal treatment of tenants and lordlords. Expenses vary from one

building or one landlord to another; they also vary in terms of when major repairs are done. The appropriate increase can only be determined individually.

Therefore, the wisest course is to ensure that as many tenants as possible are in a position to assess rent increases themselves, and come to an agreement with the landlord, using Régie services only in cases of unreasonable demands.

It is also important that rent control not prevent reasonable returns on investments in the rental sector. To maintain a constant flow of investment the global return must be appreciably greater than the return on safe securities (government bonds), otherwise no one will be interested in locking up his capital and his savings there. The total return comes from several sources: cash flow, capital gains, tax benefits. It is certainly not up to the government to guarantee a reasonable or certain return on these investments. But controls must not be such as to prevent an adequate return when the risk is an average one.

Action scenario

Although the Régie du logement must be maintained, different measures should be envisaged to allow landlords and tenants to negotiate the rent freely, with full knowledge of what is involved.

- **By using the "diversion" approach, where the accent is placed on information and discussion, the Régie would become more of an arbitration court of last resort, intervening when the attempt to reach an amicable agreement and conciliation has failed.**

Information

- **Generally speaking, the information necessary to a fair appreciation of the increases asked for should be available to everyone. Specifically, such information should be given directly to households usually at a disadvantage when the time comes to negotiate rents, especially elderly persons (these households are in fact easy to contact since most of them live on transfer income).**

Conciliation

- **It is important to provide effective means for bringing landlords and tenants together for real discussion during the period of notice prior to renewing the lease. This dialogue should at least concern all the pertinent statistical information: rents for different types of dwellings, changes in the various components of operating costs.**

This would enable everyone to gain a picture of the general situation and consequently reduce recourse to the Régie's services.

Method of fixing rents

Although the present method of fixing rents and determining reasonable increases is generally satisfactory — it is based on the basic rent on the market — certain aspects should be re-examined. The following questions could serve as departure points for discussion.

- **Should the basic rent be changed, simply and fairly, in certain cases?**
- **How does the question of the cost of major repairs fit into the idea of changing the basic rent?**
- **Should net income be adjusted to the average mortgage rates of the past few years or determined in another way?**
- **Is there a simple method of taking account of major improvements made by tenants in certain cases?**
- **Should interest be paid on retroactive increases granted by the Régie?**

Development of the non-profit organization rental sector

The non-profit organization rental sector is not quite so familiar as the cooperative sector, but nonetheless there is a considerable demand for dwellings. One attraction is greater security of occupancy of the dwelling than is the case in the private sector. It seems to be more suitable than cooperatives for certain groups, those that feel less capable of organizing themselves or becoming involved in the management of a property. But the socio-economic characteristics of households are more or less the same in both sectors, consequently there is good reason for according them the same treatment.

Like the cooperatives, the NPO must themselves supply the initiative needed to develop this sector. Considering its flexibility and decentralized management, the non-profit sector is particularly well placed for reaching specific groups: roomers, persons in the process of social reintegration and persons temporarily without a home.

Action scenario

Development of NPO

- **In a general way, the same conditions as those envisaged for developing the cooperatives apply here.**

Special measure

- **As part of a general review of the method of fixing rents, specific adjustments should be considered to take account of the special operating features of non-profit organizations working in the housing sector.**

NPO and co-owned property

- **NPO should examine the possibility of experimenting with different rental-purchase formulas that might help tenants become co-owners of the premises in which they are living.**

Selective extension and diversification of the LRH stock

The demand for LRH has grown rapidly over the last few years, probably outpacing construction. This type of housing is sometimes viewed as the only solution to the housing problems of low-income households.

In fact, construction of low-rental housing is in answer to a variety of expectations, and it is important to distinguish between them, even when they are all present in the realization of a single project, and even when they could be otherwise met, which is true of some cases.

LRH sometimes steps into the breach when there is a lack of new rental housing, a general shortage of homes to rent, or the absence locally of a specific type of housing, homes for the elderly for example. In principle, private enterprise, non-profit organizations and cooperatives could make up for this shortage of housing quite adequately. However, in certain instances, particularly in rural areas, because of a low demand in terms of numbers and financial means the private sector will not take the risk of building dwellings for fear of not being able to rent them.

LRH is sometimes built to compensate for the lack of dwellings at a very low rent, and not for the lack of housing in general. In effect low-rental housing provides adequate housing at a low cost, for the tenants at least. But we know that the cost of building public housing is higher than that of private rental accomodation, the product being somewhat different. In the long term, however, the cost of occupying a low-rental housing unit should be relatively less, which is also true of non-profit housing in general.

LRH offers complete security of occupancy, complete assurance of being able to stay put, a distinct advantage for impoverished households with chronic problems of stability in the private market.

This picture of security propagated by LRH goes beyond the assurance of staying in one place. It also means the possibility of changing the proportion of the household budget devoted to housing, particularly if the

household lives on transfer income, or has little hope of exceeding the minimum income in the years to come. It means as well, especially for elderly persons, a kind of psychological security, because there are neighbours, and it is thought that admission to a public specialized care establishment will be easier when the need arises. There are other ways of guaranteeing this security, and as citizens we are entitled to ask if it is absolutely necessary to build public housing, with monthly operating deficits of over $300 per unit, in order to give the elderly the assurance that they will be able to stay put. At present, LRH seems to be the best answer, no doubt because we are familiar with it.

Low-rental housing meets a number of expectations in fact. It is a sort of package solution, but a very onerous one. Considering the quality requirements for public buildings, the supplementary services to be found in them, such as a common room, and the need to serve remote communities, construction cost are high. The same is true of the operating deficit; housing that costs a lot to build is allocated to households with the lowest incomes. In addition, because of LRH the State has become the largest property owner, with everything that controlling such a housing stock implies, even though local authorities are entrusted with its management.

LRH cannot be administered from the centre, and is therefore entrusted to municipal housing bureaus. The necessity of decentralized management becomes clear when we look at LRH for the elderly. For them, public housing is both ordinary and exceptional: ordinary in that it is intended for autonomous persons, exceptional in its relative scarity and its cost to the government. Even though low-rental housing only profides them with a roof, it is clear that their general well-being under that roof presupposes, as they age, closer contacts between municipal housing bureaus and other community resources. As new non-profit housing formulas develop, relations between LRH for the elderly and more specialized establishments will in all probability become closer still.

Because it fills a gap when there is a shortage of private, cooperative or non-profit housing, low-rental housing is cerainly necessary to the general market or for certain groups. But is important to remember the supplementary nature of LRH. In effect, it is up to individuals and local organizations to assume responsibility for their own housing conditions. The State cannot provide housing for everyone. The measures proposed for the development of the cooperative and non-profit sectors and the extension of the housing allowance should in the long run make it possible to reduce the need for new LRH. Since the LRH stock is likely to grow in the immediate future, we should see that this growth takes a different direction.

Action scenario

Allocation of LRH

- **Allocation of new LRH would depend first on local housing market conditions and then on explicit demand.**

- **Market conditions would be established mainly on the basis of vacancy rates for dwellings with average or below average rents, average rents being based on average income levels among tenants.**

- **To find out what the real demand is it would be necessary to consult the eligibility list, which is drawn up in a standard manner in all municipal housing bureaus in accordance with the same criteria. The SHQ recently carried out experiments in six municipal housing bureaus with a draft regulation respecting selection of tenants. The results show that applying this new regulation would result in a 50% reduction in the number of households on the waiting lists. There are a total of 30 000 to 35 000 applicants on the lists throughout Québec. By extra-polating the results obtained in the six bureaus, LRH needs would correspond to about 17 000 dwelling units, according to the lists. Expansion of the housing allowance program could, in turn, considerably reduce this need to the more realistic figure of 10 000.**

Diversification

- **Creating low-cost housing should be done in a more diversified way in meeting the needs of the target clientele and in increasing the stock.**

- **LRH should be made available to roomers, particularly in certain city centres. As for families, their needs could be more effectively met by changes in the way low-rental housing is realized;**

- **As far as additions to the stock are concerned, to date new construction has had priority over restoration (only 3% has been realized through purchase and restoration). In zones where there is a shortage of housing, construction is necessary. Where this is not the case, other methods of proceeding should be used, especially the purchase of existing buildings. The cost of new low-rental housing is more than $40 000 per unit, while good quality rental units can be had for $20 000. Purchase would therefore be a way of obtaining less expensive LRH units for the same number of clients, or of reaching more clients at the same cost. This could be done through the NPO connected with municipal housing bureaus.**

- **Rental of housing units by municipal housing bureaus in buildings held by non-profit organizations or by owners in the private sector for short-term needs is another possibility. This may be the answer where vacancy rates**

are high, partic ularly for groups for which LRH is a temporary solution. However, if this is to be practical, units in adequate buildings must be leased at the normal market rent, and not necessarily in the newest, most expensive buildings. This solution is simpler for the lessor than the rent supplement, since municipal housing bureaus are responsible for fixing and collecting rents.

Management of LRH

- LRH management, which is now the responsibility of municipal housing bureaus, must remain decentralized. However, uniform standards for the use of public funds must be respected, in accordance with the most urgent needs throughout the Québec.

- In addition to managing the public housing stock, municipal housing bureaus should inform households about other sources of assistance open to them. They must therefore see that the services they offer are coordinated with those of other community resources.

- It is important that tenants be enabled to take an increasingly greater part in managing low-rental housing. This is part of the underlying theme of this document, that people must be enabled to assume responsibility for their own housing needs.

Cost Control in Housing Projects

In the coming years, it will be possible for large numbers of people to become owners of new homes only if what is available meets their needs and if the price is reasonable. Given the present distribution of the incomes of tenants, 16% could, in theory, acquire a new home costing $55 000 without too much financial strain. For a house costing $65 000, the proportion falls to 10%. The probability of sales depends in part on this potential number of first buyers. The market of second buyers, that is, those who are already owners, has a considerable potential; for the purchase of new homes, their numbers will depend above all on housing design.

Estimates of the formation of households indicate that, in the next three or four years, 35 000 housing starts per year will be needed, many of them for individual ownership and co-ownership, if consumer habits remain the same. This figure will be reached only if increases in the total price of new dwellings and of their main components stay more or less in line with the growth in income. These components are land, materials, manpower, administrative costs and profits. The residential construction industry is still sufficiently competitive to prevent administrative costs and profits from getting out of hand. The supply of materials, too, is such that there has been no rise in costs for a long time. On the other hand, if we can depend on recent trends, land and manpower costs are quite a different matter.

Manpowers costs

Residential construction, of small buildings at least, and in a still more pronounced fashion residential renovation, while forming an integral part of the construction industry in general differs from it. The difference is manifested in the size of firms, the type of manpower and the means of the clients.

Since the regulations govern the entire construction industry, they are not always suitable for application to the specific features of residential construction. There is no doubt that this has some bearing on the practice of moonlighting in this sector, although there are other factors, among them the economic recession, the large reserve of manpower, the large number of firms, the low ability to pay and the attraction of supplementary income.

Although few agents in the field question the integration of the residential construction sector with construction in general, many would like to see it given its own special plan, especially with regard to working conditions, which are governed by the Construction Decree, and to the definitions of trades under the regulation respecting the training and qualifications of construction industry employees. There are already a number of provisions in the Construction Decree that are specific to the construction of small residential structures. Modification ofthese conditions would probably lessen the phenomenon of moonlighting in the renovation sector.

Action scenario

- **A committee could be set up, with members from the field, the ministère de la Main-d'oeuvre et de la Sécurité du revenu, the ministère du Travail and the ministère de l'Habitation et de la Protection du consommateur, to study the relevance to the residential sector of construction trade definitions and the working conditions laid down in the Construction Decree.**

Cost of land

In the past few years, the cost of building land has gone up considerably in Montréal and Québec City. There are a number of reasons for this. It seems that the demand for land on the outskirts has gone down recently with the increase in demand for more centrally located sites. The effects of this change have been reinforced by certain municipal practices which have spread over the past few years: stricter control over the location of new residential sectors, and requiring promoters to pay part of the costs of services, which has a direct effect on the price of dwellings.

Municipalities have become increasingly aware of the long-term costs of allowing housing to be spread out, and as a result now tend to accept only

residential developments that are extensions of the existing urban fabric. The price of land adjacent to developed zones tends to rise, since the probability that this land will be used for residential blocks increases accordingly. Prolonged holding of vacant land then becomes less risky and more profitable, and can be an obstacle to the development of the municipality. However, the presence of a number of municipalities in one agglomeration attenuates the effects of more rational land control and tends to increase the cost of sites already forming part of the urban fabric, without producing a situation of total dearth.

A number of municipalities have dropped the use of a special tax and begun to finance services for new subdivisions by billing the builder directly. There are several advantages to this type of financing: it provides municipalities from the outset with a higher assessment base since, for similar houses, the one for which the promoter assumes payment for services will sell for more and is therefore assessed at a higher rate from the start; it decreases their borrowings for services, allowing them to borrow for other purposes; it eliminates management expenses for local improvement taxes. However, in a certain way what the municipality gains the taxpayer-owner loses. His initial capital investment must be proportionally higher: about 25% of the cost of services. Although he saves on the local improvement tax, which he no longer has to pay, his mortgage payments are higher since he has had to borrow more to cover the cost of services, and because the individual mortgage interest rate is usually higher than that of municipal bonds. Together, these two factors tend to decrease the ability to buy a new home. This will be still more pronounced in the long run if payment for services by builders result in changes in the structure and in competition among promoters.

In short, the trends observed in demand at present, regulation of the use of land and financing services are apt to generate inflationary pressures on the cost of land. They indicate that in the long term it will be possible to reconcile the necessary control over residential expansion with an adequate supply of land at reasonable prices only if municipalities plan their development with careful consideration for the property market.

Action scenario

- **Since changes in land supply and cost depend basically on local market conditions and municipal planning, the government does not need to act in the property market. Nevertheless, it must see that the municipalities have the necessary powers and make appropriate decisions for the control of land prices.**

Information about the property market

- **It is important to see that municipalities take due account of changes in the property market when making development decisions. Consequently, the**

technical reports on development projects constituting the subject of a loan regulation and the general statistical information sent to the ministère des Affaires municipales should be changed to include a minimum of information about changes in the property market, the cost of land and the concentration of property.

Division of service financing

- It is important that municipal authorities be able to establish the rate of participation of promoters in accordance with their development policies. It does not, therefore, seem reasonable to impose standard rules on municipalities for dividing service costs. The division already recommended by the Commission municipale — 25% to the promoter, 25% to all the taxpayers and half to those along the service lines — seems an effective distribution from the point of view of housing and the least disturbing by comparison with the former distribution system that up until now has served us well.

Surtax on vacant serviced land

- Municipalities should be encouraged to use their powers to put a surtax on vacant serviced land, depending on the degree of priority in the development of sectors. This would prevent prolonged holding of serviced land that is already part of the urban fabric.

Acquisition of land

- We should consider making permanent the powers granted under CORVÉE-HABITATION with respect to the acquisition of land. There would be no question of large land reserves to be held over long periods, but rather of using land acquired as a result of failure to pay taxes and of making strategic acquisitions to make vacant land available for development in selected areas.

Zoning vacant land

- Municipalities should be encouraged to consider zoning vacant land for residential purposes to include sufficient reserves for two or three decades of development.

Stabilization and Reduction of Occupancy Costs

In periods of inflation it is to be expected that housing costs will rise. As long as the extent of the increases can be foreseen, the medium-term financial planning of households should not be unduly disturbed. Such planning is a key variable and one of the attractions of the preferred modes of occupancy, ownership and membership in a cooperative. However, when the main

housing components, mortgage payments, taxes, electricity and heating, increase abruptly in cost, given the importance of housing as a budget item, the household's budget may be thrown out of balance; the ability to pay housing costs may even be affected, not to mention the impact on other types of consumption.

Mortgage payments often take up more than half of the cost of occupying a dwelling. In household financial planning, thedestabilizing effect of large, abrupt increases in mortgage rates is particularly bad if the mortgage is a short one. This is true for one-year mortgages, which had more or less become the rule at the end of the 1970s. Since mortgage financing is part of the capital market, we cannot protect ourselves completely from this type of fluctuation. It would cost the government more to create, by means of tax benefits, a special savings tool for mortgages than to subsidize excessive rises in interest rates as needed. However, a total takeover of increases by the government would entail disbursements of some $200 million per percentage point of interest if mortgages were all renewed at the same time, since the outstanding mortgage debt is about $20 billion. There is therefore no question of the government taking such a step. Increases do not create the same difficulties for everyone. Among owner-occupants, recent buyers are more affected than those who have repaid a large portion of their mortgage. In the rental sector, their effects may be lessened because increases in rent may be spread over a period of time without eliminating long-term returns on investment.

Taxes represent 15% to 20% of the cost of occupying a dwelling. Rapid changes in taxes are less frequent than those in mortgage rates. They occur particularly at the local level, when a rise in the tax rate is accompanied by a marked upward change in assessment, which can happen in zones that are in the process of change where the market is very active. Such increases affect households on fixed incomes more severely than others.

The last important component of the cost of occupancy, and one that cannot easily be reduced in the short term, consists of heating and electricity. The best way of reducing the effects of sharp increases in the bills is to limit consumption, particularly by means of good insulation. Various programs have been set up in the past few years to help households reduce their heating and electricity bills: Énergain, the subsidy program for the installation of dual-energy heating systems in homes, the Canadian Home Insulation Program, the Canada Oil Substitution Program, and the program for conversion to natural gas.

Action scenario

Unlike the other sections of this chapter, this one puts forward proposals that are neither directly nor indirectly the responsibility of the government, but are concerned with encouraging households, lenders, municipalities, and

suppliers of fuel and electricity to take all the steps required to ensure that occupancy costs do not get out of hand, but remain at reasonable levels.

- In the circumstances it is up to borrowers to make the best possible provision against the effects of rises in interest rates by speeding up their repayments and payment of capital, taking out insurance, and using a form of mortgage repayment that eventually capitalizes part of interest fluctuations.

- It is up to the lenders to participate actively in developing and promoting new formulas for mortgage repayment to lessen the impact of increases in rates. When rates were at their highest, a large number of new property financing techniques appeared in America to offset the harmful effects on consumers. The best known of these are without a doubt mortgage loans at variable rates, mortgage loans at adjusted rates, joint mortgage loans and accelerated redemption mortgage loans. Lenders, then, should make an effort to publicize these different formulas, for this would make it easier to stabilize occupancy costs.

- Two ways of reducing the municipal tax bill could be considered. First, municipalities could be given permanent powers, as provided for in Bill 82 (CORVÉE-HABITATION), to set up a subsidy funds in lieu of taxes to promote residential construction and renovation. Second, municipalities could, in the same way, grant property tax relief. By this method, the general property tax rate could be applied for the first year, for example, to 50% of the value of new housing or repairs and reach its full value over a period of five years.

- The jump in the cost of energy at the end of the 1970s is no doubt the reason why households have become so conscious of the need to conserve energy. In any case, the reaction was such that there was a slowdown in the energy demand. They should remain cautious and take advantage of existing programs, especially home insulation programs.

- Fuel and electricity suppliers also have an important role to play with respect to energy costs, particularly an agency like Hydro-Québec, which is a producer as well. They must continue to distribute information, offer programs, and above all develop the means to make it possible to conserve energy.

Maintaining Housing Quality and Encouraging Improvement

Great stress is laid on housing quality, both in the expectations of citizens and in statutory requirements. It has no limits except those imposed by the costs. Housing is accorded an important place in our society and therefore a minimum quality is required, referred to as habitability. Any action taken to improve quality must therefore be based on a reasonably

accurate idea of the minimum quality deemed desirable at any given time, and be consistent with continuous quality maintenance and improvement, rather take the form of a series of rushes.

The interest shown in restoration has only begun to gather strength in the past few years. The fact that expenditures for the renovation and upkeep of buildings are now almost as high as those for new structures is evidence of this, as are the many articles to be found in papers and reviews, and in speeches and symposiums. The result is a general desire for improvement in the physical quality of our homes, and it is likely to last.

The renovation potential will depend on our criteria with regard to quality. If, for example, air conditioning were to become a minimum quality requirement almost the whole of the housing stock would have to be renovated. If we decided that all old buildings should be restored, the potential would still be vast. We must remember that 24% of the housing stock dates from before 1945, although many buildings from this period have already been restored or are in good condition. The number of dwellings needing major repairs, according to their occupants, was about 165 000 at the time of the 1981 census. Since then, several thousands of homes have been renovated, either through the various programs -- CHRP, RRAP, LOGINOVE, ÉQUERRE -- municipal programs or private initiative. Since for the moment we do not have a more precise quality assessment of the housing stock, this figure must suffice to give us an idea of the amount of renovation needed in the short term. Although households vary in their appreciation of the work to be done, we have every reason to believe that their estimations are fair and justified.

Is government assistance for renovation justified?

Before answering this question, it must be stressed that renovation covers a number of operations that are very different in nature and in their impact on the market.

Renovation may mean improving the building by the addition of elements to a structure of suitable quality. In this type of operation we include finishing a basement, adding a room or enlarging one, replacing cupboards made of veneered wood by cupboards made of oak in the kitchen. This kind of work is in itself good, but is a personal choice. The government does not prohibit it, nor does it subsidize it, just as it could not justify subsidizing the replacement of a small car by a large one.

In other cases renovation means repairing or replacing defective parts. This may mean improving the building by repairing or replacing parts without changing it radically, or completely renovating it by rebuilding. Repairs are carried out, for all practical purposes, to endow the property with a higher quality than it enjoyed initially. The cost and market impact of repairs and of renovation are very different.

If the purpose of these operations is primarily to make the dwelling conform to minimum habitability standards, the government is concerned since it lays down the standards. Government financial assistance is justified when meeting these standards results in expenses the occupants of the dwelling cannot afford.

But one question must be put: are the occupants of a dilapidated dwelling who cannot themselves afford to pay renovation costs really the ones who benefit from the dwelling that has been renovated with government assistance in accordance with established standards?

There are two ways of making sure that they are. The first is to subsidize the occupants for a certain period so that they can meet the new expenses. The second is to subsidize the work and set up a control mechanism to ensure that the beneficiaries are the same occupants, before and after the restoration work.

The grant does not have to cover all the costs of the work, particularly if it goes beyond what is required to meet habitability standards. Since the dwelling will be of better quality after the work is done, it is reasonable that it should command a higher rent, and a higher expenditure to income ratio from the occupants. However, such an increase becomes questionable if the expenditure to income ratio exceeds the critical level.

Therefore, even if the policy is adequate, there are a number of factors that prevent the occupants from remaining in their dwelling. Some tenants may not wish to increase their expenditure to income ratio, even if it does remain this side of the critical level. Or certain owner-lessors may wish to take advantage of a subsidy program not only to restore their property but to really renovate it, thereby changing its position on the rental scale so that it will command a much higher rent than the average. For the entire rental market and for the housing conditions of moderate and low-income tenants, a change of this kind is liable to raise problems of housing accessibility and speed up transformation of the social composition of certain neighbourhoods if the majority of homes are affected.

From the point of view of the global cost of government action in the housing sector, it would be hazardous to consider restoration assistance independently of those living in the dwellings to be restored. To act in such a way would be rather like the factory manager who decides to make a perfect product, taking no account of the resources of buyers. If restoration assistance, by the way in which it is given and in spite of the subsidies, were to cause rents in restored buildings to increase beyond the means of the tenants to pay, the result would be either a population shift and probably a shift of run-down zones, or a proportional increase in the housing assistance granted.

Action scenario

Revision of the LOGINOVE program

- Given the situation we have just described, it seems important to undertake a thorough reassessment of the effects of the LOGINOVE program on the physical quality of restored dwellings, on its clients and, in the rental sector, on the resulting rents.

- If it should turn out that the target clientele was not reached in sufficient numbers in the short and medium terms, it might perhaps be wise to restrict the LOGINOVE program to cooperatives and non-profit organizations and, in accordance with special criteria, to buildings that are being converted for residential purposes.

- The matter of varying the subsidy rates according to the degree of deterioration of the building or the nature of the work to be carried out should be considered with a view to ensuring that subsidies are granted first for the most dilapidated buildings.

Revision of the ÉQUERRE program

- It would be wise to envisage extending the ÉQUERRE program, as a second phase, to the rental sector with the specific object of restoring rental property to meet minimum habitability and safety standards, and possibly making the subsidy taxable (with appropriate adjustments in the subsidy rate).

- The possibility of combining the subsidy and the entry of major repairs for tax purposes as current expenses and not as capital expenditures should also be considered for the rental sector.

Using contractors instead of moonlighters

- To have restoration work carried out households do business either with general contractors, specialized contractors or independent contractors, or else with persons who are often capable of doing the work but who do not hold a contractor's licence, or workers who do not comply with the rules of the Construction Decree. The quality, efficiency and total cost of the work may vary according to what kind of manpower is used. It is to be hoped that the people involved will agree on the working conditions specific to the restoration sector, which would make it possible to increase officially the amount of work done in this sector. Such specific conditions could be examined by a study committee of the kind suggested earlier.

- **Clarification of the situation in this domain would be a protection for consumers, for contractors must meet certain conditions with regard to competence and solvency in order to obtain a licence. In addition to these conditions they should be obliged to give clients financial protection, assuring deposits and respect for guarantees, either by contributing to a government compensation fund or by joining a private plan offering wider protection.**

Financing restoration

- **Whether it is done with government assistance or not, people who undertake restoration usually borrow to finance all or part of the work. The fact that financing has to be in the form of a personal loan rather than a mortgage loan may be a decisive factor in the decision to carry out the work or not. Financial institutions therefore have an important role to play here. It is to be hoped that they will use a certain flexibility in assessing loan applications since restoration may depend on their decisions, particularly if local market conditions are difficult.**

- **Lending institutions should also develop special financing terms and conditions, quite distinct from ordinary consumer loans, for those who wish to restore their property.**

Promoting the quality of the residential environment

Housing quality is not confined to the quality of the dwelling itself. It also involves the immediate environment and its position in the agglomeration. It is not sufficient to be comfortable in one's home. It is equally important to enjoy being about the neighbourhood, mixing with one's neighbours, and using the local services and facilities.

It is not the business of the government to control the social composition of the neighbourhood. Municipalities may of course do this by accepting a mixture of various kinds of buildings and dwellings, and by facilitating the diversification of groups by age, type of household, and even income category. However, mobility and the operation of the market are the decisive factors in diversification.

On the other hand, the actual nature of the services offered in the neighbourhood is controlled to a certain extent, because municipalities can influence their quality by means of zoning and choice of population density for subdivisions.

The physical appearance of the setting of dwellings and the proximity of public facilities are also factors to be taken into account by municipalities with regard to the quality of the residential environment, because they are just as directly dependent on planning decisions as types of buildings. The

width of streets, the dimensions of city blocks, the creation of green spaces, squares and public facilities are all factors that add to the attraction of a neighbourhood.

Builders, by choosing attractive housing models, and landlords, by maintaining and beautifying their properties, play an important part in creating a harmonious residential area.

The municipalities, whether or not they have government assistance, can set the example in this situation of interdependence of housing elements in the residential neighbourhood. What they do can have a beneficial effect on both landlords and the buildings themselves. In particular, they are responsible for major repairs and the upkeep of public buildings — and for budgeting for these items -- and for accepting and even encouraging diversity in subdivision development plans submitted by private promoters. Diversity is one way of assuring integration of the dwelling into the site and of meeting varied needs.

Ideally municipalities should try to eliminate the differences in quality which are apparent between neighbourhoods, for households seeking accommodation should be able to find a setting that is favourable to their development in any area.

All such action presupposes coordination of activities at the local and central levels within the framework of the present division of jurisdictions. The physical quality of the residential environment, which depends on planning decisions, is basically the responsibility of the municipality. It makes decisions as to development plans and the location of parks and community facilities. Municipal investment in the physical environment entails certain expenditures, but in some cases it generates additional revenue. For example, improving lanes and community facilities in some old neighbourhoods can make them more attractive, thus increasing property values. From the point of view of municipal finances the operation would be profitable. But when local market conditions are calmer and movement between areas declines, additional municipal investments will not have as great an effect and may even be difficult for taxpayers with modest incomes — those who would benefit most from it — to support. The central government would then be justified in intervening financially, but only in terms of equalization.

Departments other than housing have programs that cover residential improvement, among other things.

Action scenario

Rejuvenation of old neighbourhoods

- **The government should see that the municipalities have the legislative means to rejuvenate old neighbourhoods and improve green spaces. Government assistance for such purposes must be selective.**

- **The ministère des Affaires municipales has a rejuvenation program for downtown areas which is designed to improve the quality of life for the inhabitants, those who work there and those who visit the areas. It will encourage public and private investment, and make it possible to breathe new life into built-up areas, improve services, increase property revenues and carry out innovative projects by attracting various economic agents. If such a program were to be set up, municipalities would have to have additional means to carry out the activites proposed for built-up residential zones, with respect to services, equipment and land development.**

Green spaces

- **A good quality residential environment would best be achieved by setting up suitable programs for steady quality improvement, and for more recreational sites and greater accessibility to them, green spaces in particular: neighbourhood, district and area parks. A good deal of catching must be done if we are to approach what is considered desirable in a number of countries, two hectares of green space for every one thousand inhabitants, while giving due consideration to the goals of the quantity, accessibility and above all the distribution of city parks. Citizen participation in the management and operation of the parks should be encouraged.**

- **The municipalities are in the best position to define their own need for city parks and to ensure that they are created. It may prove to be very costly to fill this need simply by acquiring land. It would be better to ensure optimal use of existing parks and to create new ones by using available land, the land around various establishments and from the government's property reserve, for example.**

Protection of Households in Property Transactions

Real estate transactions often involve one lay contracting party and one professional one, unequal partners when it comes to information and economic power.

This is true for a contract for the sale of a house between a builder or promoter and a consumer, a mortgage loan contract between a consumer and a

lender, a sales mandate given to a real estate broker by an individual, a service contract entrusted to a notary at the time of the purchase or sale of a house or when making a mortgage loan.

Real estate transactions are complex and involve large sums of money, and consumers, in their relations with dealers, often encounter problems they have difficulty in resolving: false advertising and verbal descriptions, offers to purchase that are incomplete or signed too quickly, improper contract clauses, construction defects, insolvency of the contractor, etc.

Given the unequal position of the parties, the government should ensure that the consumer, in his transactions with a real estate dealer, has the means he needs to make enlightened choices, to sign a fair contract, and to obtain good quality merchandise in return for the payments he will make, just as it does in the movable goods and services sector.

Professional associations of real estate operators should help in this by encouraging training for their members, distributing clear, complete pre-contract and contract information, and developing quality labels, guarantee plans, and so on.

As for transactions between individuals, which a large part of sales of existing houses are, in principle neither party is better informed or has a greater advantage. The two parties can therefore discuss the transaction as equals. Information and education programs should be available so that each contracting party can protect his own interests.

Action scenario

The government should institute a legislative framework to protect households that are parties to real estate transactions, dealing with the following points.

Pre-sale information

- **To ensure adequate pre-sale information and more effective means of appeal for consumers misled by false advertising or verbal claims made by a dealer (builder, promoter, lender, broker), the provisions of the Consumer Protection Act dealing with prohibited practices should be extended to cover real estate transactions.**

Contract information

- **For the consumer who is about to buy a house, the offer to purchase should contain a minimum of informative material, including a description of the work to be done, the time period before delivery, the cost, the terms and conditions of payment and the financing conditions, so that he will know what he is agreeing to.**

- An information leaflet should accompany the offer to purchase, as a condominium, a dwelling offered for sale by a promoter, giving a description of the site, for example, a plan of the lot and the dwelling, its position, parts for restricted common use, degree of insulation and sound-proofing, a description of the financial position of the building, a summary of the co-ownership declaration, etc.

- The borrower should be given complete information about the mortgage contract before signing the loan contract.

- The mandate of a real estate agent should contain minimal information, especially about the agent's obligations.

Withdrawal clause

- It would be useful to study the feasibility of granting the consumer, at the time of purchase of a dwelling for individual ownership or for co-ownership offered for sale by a dealer, a withdrawal clause in his favour, which could be used within a period of ten days for example, for a limited sum of money.

Contents of contract

- The consumer who is party to a real estate transaction with a dealer should be protected against the use of certain improper contract clauses. The rules contained in the Consumer Protection Act applicable to improper clauses and the interpretation of contracts should apply to real estate transactions.

  Specific protection rules should apply to liability clauses for the advance payment of property taxes contained in mortgage loan contracts.

Quality of the house

- The quality of a house bought from a contractor or builder should be covered by standard guarantees. Changes made by the Civil Code Revision Office should make it possible to invoke the guarantee against hidden defects and that against construction defects more effectively.

Financial protection for consumers

- The government should make sure that buyers of new homes are protected against financial losses resulting from the insolvency of the contractor or from fraud.

- This protection could take the form of a government compensation fund to be used as a minimum guarantee that the contractor would have to offer in

order to practise his trade. The contractor would also have the choice of belonging to a private financial protection plan (the FCQ guarantee plan for buyers of new homes or the APCHQ certification program for new homes, for example). These plans should receive government approval and give the same sort of minimum protection as that offered by the compensation fund. They would mean improved financial protection and constitute a guarantee of the quality of the services of the member contractors.

- Other financial protection measures could be considered: staggering the payments in order to limit risks of financial losses due to work not completed or the deposit in trust of the money paid by the purchaser until completion of the work. The latter measure has already been studied as part of the work done with regard to changes in the rules governing co-ownership.

- The deed of sale should not be signed until the buyer is assured protection against the registration of liens by subcontractors who have not been paid in the 30 days following completion of the work.

Professional intermediaries

- The quality of the information furnished by professional intermediaries, real estate brokers and agents, should be improved by means of continuing training programs. Regional real estate chambers and the Association de l'Immeuble du Québec should support such training.

Associations of contractors

- Contractor associations should favour the use of standard repair contracts and use such contracts as a guarantee of the quality of their work.

- They should continue to offer guarantee plans, mainly as a means of protecting the contracting party against insolvency on the part of the contractor. They would include the usual guarantees in addition to those provided by the Act.

Increase in Types of Residential Services for Special Groups

For clients who are not completely autonomous or who find themselves in a state of temporary confusion the matter of housing goes beyond the physical aspects of the dwelling and their ability to pay.

The handicapped form one of these groups. We are in agreement with the analysis of the housing problems faced by handicapped persons as outlined in the publication of the Office des personnes handicapées du Québec entitled A part ...égale. Structural barriers are the greatest obstacle to any real possibility of choice of dwelling for these people. However, even if these

obstacles were eliminated, occupying a dwelling presents other major problems, maintenance for example. In effect, the services the handicapped would need to enable them to live autonomously in a dwelling are much the same as those required by the elderly.

The elderly form the largest special client group. Moreover, the group is growing rapidly. Housing needs for the elderly are as diversified as those for the population generally, and for some they can change much more rapidly after retirement. All government measures for elderly people must take account of this diversity and how it changes. In practical terms this means ensuring that there is sufficient housing suitable for the needs of old people at all stages of aging, from the ordinary dwelling for autonomous persons to a place in a hospital establishment. Greater efforts must be devoted to improving the first housing stage, the ordinary dwelling.

By comparison with the rest of the people, the residential needs of the elderly and the handicapped seem more complex and closely related. They go beyond housing, but the dwelling often constitutes the core. These problems are:

- the cost of occupancy and the expenditure-to-income ratio; problems of ability to pay are frequent, and sometimes acute for these groups, particularly for elderly persons who are alone;

- quality and upkeep; elderly persons finally do not have the resources or the energy to maintain and repair their homes. The handicapped are also in this position;

- insecurity and isolation; one of their basic needs is to be able to count on a friendly presence, a helper or even simply assistance in case of emergency. Briefly, they should be assured physical and moral security in their homes;

- autonomy; the reduced mobility of handicapped persons and the increasing loss of autonomy that comes with advancing years may demand a progressive increase in home care services, especially medical care.

The quality and the cost of housing is only part of the problem, but it is an important part. The enjoyment of a safe, adequate dwelling and the ability to pay for it constitute in a way a condition for solving the problem, or at least lessen the other difficulties. It is therefore possible to remove the difficulties of housing for special client groups only by coordination of the various policies.

What role ought the government to play in meeting the difficulties peculiar to certain groups? It certainly cannot remain indifferent to the situation; it cannot not intervene. But it cannot act alone. It must therefore

first deal with the most urgent problems directly, and mobilize all available energies by actively supporting initiatives in the field designed to improve the residential well-being of these groups.

Of all the action the government could be called upon to undertake in this domain, that which directly concerns housing, and which is intended primarily for relatively autonomous elderly and handicapped persons, could take the form of a decrease in the cost of a dwelling, a supply of special dwellings or assistance in the provision of certain residential services.

Action scenario

Diversification of supply and reduced occupancy costs

- **The elderly whose ability to pay for housing is limited could continue to benefit from the LOGIRENTE program, which is reviewed periodically. The handicapped could be offered similar assistance if eligibility for the housing allowance were extended. Enlarging the program in this way would give them a much wider choice than that offered by the rent supplement, which applies only to dwellings held by cooperatives or NPO.**

- **Development of cooperatives and non-profit organizations canfavour and facilitate access for the elderly and the handicapped to this type of occupancy, which is of nature to re-assure them from several points of view, since they are certain of being able to remain in their homes, of help in their upkeep and of being able to benefit from a network of mutual aid. In addition, emphasis on the development of this type of housing in the existing stock would allow elderly and handicapped persons to remain in their own neighbourhood instead of being uprooted.**

- **When there is a shortage of rental housing and a virtual absence of the non-profit type, the LRH should continue to offer the handicapped and the elderly housing which suits their needs.**

Reverse mortgage

- **For the elderly who own their own homes, the government could encourage financial institutions to develop and promote the reverse mortgage formula, which would allow these senior citizens to benefit from the savings they have accumulated in their home without having to sell it, and in this way self-finance the greater part of the cost. If this formula were adopted, many elderly owners could continue to have good housing at a low cost, when we consider that the average value of the homes of persons 55 and over was $48 000 in 1981, and that these dwellings usually carry small mortgages.**

Improved residential services

The role of the government is essentially one of support and encouragement. Diversification of residential services adapted to the needs of special client groups depends on the initiative taken by people in the field.

- The government could encourage families to furnish appropriate services for elderly and handicapped persons by making them eligible:

- for the Home Ownership Assistance Program if an elderly or handicapped parent lives in their home;

- for home renovation programs for the addition of a unit for the elderly or the handicapped, or for adapting the dwelling to their needs.

- In the same way, elderly or handicapped persons who wish to acquire a mobile dwelling annex of appropriate design to be set up on the property where the family lives could be eligible for the Home Ownership Assistance Program.

- We have noticed that certain types of buildings lend themselves better than others to mutual help between the generations. This is true, for example, of small buildings with two to five units where parents and children can continue to live autonomously and at the same time remain close to one another. This type of building should be encouraged.

- Local public bodies, the CLSC for example, or municipal housing bureaus, now offer a little material support, premises and telephones to volunteer agencies who put elderly people in touch with specialized resources in residential projects. This type of service, if guaranteed, reassures our oldest citizens and should be encouraged.

- The government could lend encouragement to projects favouring residential mobility for the golden age group and the handicapped. The physical effort of moving out of one home and settling in another can be an obstacle to mobility. This type of service, in addition to enabling these groups to have a choice,would help improve allocation of the housing stock by helping, among other things, to make large dwellings occupied by one person available to others.

- The MHPC should see to the distribution of information about all initiatives, with the exception of medical services, of a kind to keep elderly people in their homes and to help the handicapped occupy a dwelling in an autonomous fashion. The MHPC could, by keeping information on such initiatives up to date and seeing that it is distributed, help in their development and their extension to other milieus.

- **This type of endeavour would fit well into the community work programs of the ministère de la Main-d'oeuvre et de la Sécurité du revenu whose object is integration of young social aid recipients into the labour market.**

Institution of an Adequate System of Information and Support for Research and Innovation

The proposals given above are based on a single, basic conviction: improvement in housing conditions should be first and foremost the result of the efforts of people in the field rather than of government. If this is to be achieved, it is essential that all public and private agents have the same, adequate information, and that the government support innovation and promising experiments.

Developing an effective information system

The housing statistics now available are not all relevant to the special features of the Québec market. They do not take into account, for instance, small rental buildings in which the owner lives, i.e. the building with two to five dwelling units with separate entrances, or else they are incomplete or not sufficiently detailed as to renovation work or transactions in particular. These shortcomings make coherent analysis of the housing market situation imprecise in many respects. Even if only to ensure a coherent, detailed study of the situation, the government should see that new statistics or better adjusted statistics are produced, either by providing them itself or having them provided. At present figures come exclusively from the CMHC and Statistics Canada.

The entire picture cannot be given by a single series of statistics, especially the way in which the expectations and behaviour of households have changed. A good understanding of all aspects of the whole situation is essential in order to detect present trends and to channel these more adequately. The government should sponsor studies which will enable it to guide the decisions of the various public and private housing agencies. To date this function of support has been primarily assured by the CMHC.

Action scenario

Preparation of series of statistics

- **Development of series of statistics should concentrate first on the following themes:**

- **the cost and number of transactions by type of building and land, using data from two Québec institutions: registration offices and municipalities. Statistics of this kind would be helpful both to intermediaries and to public agencies;**

- **transformation and refinement of construction data (type of building and tenure) and renovation data (nature and cost of work). Extension of data on vacancy rates and production of new series on residential mobility;**

- **preparation of an inventory of vacant land in residential zones.**

° **For the medium term, the MHPC could publish a Québec bulletin of housing statistics.**

Subsidies for research

° **In addition to the specific studies commissioned by various public agencies for their operations, research support could take the following forms:**

- **granting subsidies for university research on various aspects of housing as part of the Programme de formation de chercheurs et d'action concertée, in collaboration with the other departments involved; eligible projects should be recommended by a housing agency active in the field;**

- **direct research grants by the MHPC to any housing agency active in the field, on themes selected annually.**

Support for innovation and experiment

In its work entitled Vers une politique de l'architecture, the Ordre des architectes du Québec proposes "improvement of the quality of the living environment" as the basic objective. In addition to stressing the need for cooperation among agents as an essential means of achieving this objective, the document suggests that funds be allocated to creative experimentation, development of architectural research and continuing training centred more on aspirations and quality of life than on strictly technical requirements.

The department agrees with these proposals, but at the same time realizes that government support for innovation and experimenting with new models must have a number of specific objectives:

° improvement in the quality of the urban and suburban land scape, and in the way in which buildings are integrated into the natural setting;

° renewal of our heritage, for the buildings that go up today will greatly affect the landscape of tomorrow;

° demonstration of the feasibility and attraction of new models that meet collective development requirements more adequately, and which can be used in conjunction with existing patterns, for example, small subdivisions of greater density in places where population density is low.

The government cannot of course order that residential development is to take this or that form. The many changes in municipal zoning show that planning must consider the demand for particular types of dwellings at a given moment. However, by giving assistance for the design and construction of innovative projects, the government can contribute to new departures in the models offered and in consumer preferences. In fact, preferences really change and become more demanding when new patterns are offered, and the government is well advised to encourage the marketing of these new products.

In this perspective, then, encouragement for innovation should be directed toward modestly priced and low-priced models where the potential demand is highest and therefore most likely to have a greater impact. In the housing domain there is little use in supporting new departures in expensive homes. Habitat 67 is a residential development concept which is quite remarkable and very satisfying for its occupants, but there have been no imitators because of its cost. Models to be encouraged are those that are interesting, can be imitated and are affordable.

Action scenario

- **For development projects on land offered by a public agency, specific quality requirements should constitute part of the conditions for allocating the land; this was true of some of the projects carried out as part of Opération 20 000 logements by the city of Montréal.**

- **A closed, annual budget package would be allocated to subsidize model designs submitted by municipalities for specific sites, all to be judged on merit by a jury.**

- **The government could also make a financial or material contribution to the holding of periodic architectural and town planning competitions, as was done in 1983-1984.**

However, it is up to those involved, the professionals, the builders, the municipalities, to design and propose new housing models and residential projects. In the same way, it is the responsibility of these agencies and associations, and of the media and the organizers of special housing events, to ensure that the public knows about new models and continues to have an interest in the creation of new forms.

PART THREE

Interdependence of
Fields of Action

Chapter VII

General Impact of Strategy

Chapter VIII

Division of Tasks

CHAPTER VII

GENERAL IMPACT OF STRATEGY

The set of proposals just suggested should make it possible to provide smooth operating conditions for the housing field, as follows:

- an adequate number of starts;
- a gradual improvement of the housing stock;
- a decrease in the financial problems faced by low-income households.

To improve housing conditions for low-income households in particular, an objective which is a priority, the strategy counts not only on increased consumption by middle and higher-income households who, as they acquire new housing, leave dwellings of reasonable quality for lower-income households. In a context where purchase-renovation becomes as highly regarded as acquisition of new property this will certainly not produce the considerable effects it did in the past. This is why our strategy also insists on maintaining a housing stock of suitable quality at the disposal of modest and lower-income households, in particular, by conversion and access to co-ownership, by development of the cooperative and non-profit sector and, in certain local circumstances, by increasing the number of LRH units. In addition, broadening of the housing allowance, which would cost less than LRH operating deficits even if it were universal, would enable these households to afford decent housing.

Together, these tactics would maximize the effects of State action not only in the housing field but also in other areas of government endeavour. Housing must not be considered in itself, its physical characteristics, its construction and occupancy costs, but also in relation to other aspects of life and government policy.

Among such aspects are:

- the level of household well-being and wealth due to housing costs, and asset value in the case of owner-occupants;
- household groupings of different kinds and ease of family life development;
- various economic activities of employment and investment;
- planning and distribution of work and residential areas, with all that is implied in terms of transport, environment quality and municipal tax revenues.

For a better idea of whether the proposed strategy is wise, and greater coherence among the various facets of government action, it is important to indicate the impact it is likely to have on the main fields involved.

Distribution of Income and Wealth

A housing policy does not have to level out income disparities, but it should at least aim not to increase them, and preferably attempt to attenuate as far as possible the effect on the housing conditions of lower-income households, in particular.

The proposed strategy, while making the most of every public dollar spent, would be socially more equitable if it attempted to

- improve the situation of low-income tenants;
- assure socially broader distribution of the advantages of home ownership.

A number of the proposals would enable low-income tenants to improve their lot. With regard to housing quality, they could refer to the security code and a guide to minimal habitability requirements. On the other hand, disposable income, after paying the rent, would be increased in some cases by benefits from a broader housing allowance and by the additional long-term advantages of being a tenant or member of a rental cooperative, or tenant of a non-profit organization, for those who so desire and make the effort.

The proposed strategy would also have the effect of increasing the proportion of owners, and above all make ownership more accessible to social strata with rather modest means, since the conversion of rental buildings into condominiums would be permitted primarily to benefit present tenants, the attention paid to building cost changes would keep new or restored housing within reach, and private initiatives to stabilize mortgage financing should facilitate home ownership and maintenance of owner status.

Owner status not only makes it possible to accumulate major assets by required savings. In turn these assets enable one to reach retirement with the prospect of less costly housing and may produce a lever effect during one's working life. A few years after buying, through amortization of the mortgage debt and above all because of the increased value of his residence, the owner may refinance and contract a new loan calculated on the increased value, thereby giving himself room to manoeuvre financially for other purposes. In addition, the proposed strategy makes such assets even more attractive by supposing that the advantages of the registered retirement savings plan (RRSP) could be tied to a home savings program (LOGÉPARGNE).

Economic Activity

Housing construction represents between 2% and 4% of the gross domestic product, employing some 45 000 workers depending on the economic situation, and one-third of the building investments are in the residential sector, with mortgage loans accounting for one-quarter of banking institution assets. The economic vitality of the housing field depends on the level of activity generated, and thus on the volume of real estate transactions, new construction and renovation.

The strategy envisaged is intended to support a sustained high level of activity in these fields.

The volume of transactions is likely to grow with the continued encouragement of home ownership, and in particular with the development of co-ownership following greater precision in its legal status and further conversions.

Construction and renovation are also encouraged in various ways:

- by avoiding inflationary pressure on new housing prices;
- by encouraging innovation;
- by stabilizing operating costs, mortgage financing in particular; this stabilization ensures property acquisition and also makes it possible to provide for additional budget elbow room which may be used to improve the dwelling; at the time of retirement, the reversed mortgage may also facilitate stability of occupancy costs and thus continuing home maintenance; the effects are positive in terms of housing stock quality and integration of housing with the economy as a whole;
- by maintaining home ownership and renovation grant programs in specific cases; but these programs must be revised to avoid unwarranted generosity, duplication or simple gratification; for them to have a specific effect, to initiate ventures which would not otherwise have taken place, they should be selective in their clientele and action;
- by the housing allowance which by improving capacity to pay would also make it easier to assure continuing maintenance of the dwellings occupied by beneficiaries.

To ensure economic vitality in the housing field, the State does not necessarily have to invest massively, continuously and universally. Basically, community initiatives and fair competition among private agents are sufficient to elicit household investment efforts.

Financial intervention by the State, if it is to be effective, must be selective in time, that is in accordance with economic conditions, and in its clientele. Only in exceptional circumstances, like those of the interest rate crisis in 1982, should it be more universal in scope. If government action is more selective in normal times, it can optimize the level of economic activity in the sector without disrupting the market. Even such programs as CORVÉE-HABITATION and ÉQUERRE, instituted in a context of recovery, aimed not at the theoretical maximum that could be done but at work that could be absorbed by the market and was socially beneficial. The possible creation of a registered home savings plan and interchangeable RRSP and capital repayment in purchasing a principal residence would likewise have an objective both economic and social in nature.

If State action succeeds in sustaining a desirable degree of building activity to meet the population's needs (40 000 new homes from housing starts and transformation of existing stock, and $1.5 billion in maintenance, repair and renovation work per year), 50 000 jobs should be the result, over half in construction itself. Activities related to mortgage financing and real estate brokerage should grow substantially from the increase in the percentage of home owners.

Households and Lifestyles

The strategy should have the effect of encouraging people to take charge of their own housing conditions, diversifying their choice of housing and lifestyle, even for families.

Households must continue to be the main artisans of improved housing conditions. Encouraging home ownership makes this responsibility easier: development and improvement of their housing conditions in accordance with their personal tastes and means, long-term financial planning. When all households, inparticular those with more modest incomes, have an opportunity to join in a cooperative, their capacity to take themselves in hand is enhanced. Offering alternatives to LRH ensures that dependency on the State will no longer be considered the only way of finding suitable housing for low-income households.

Greater variety in opportunities for choice will stem from several measures:

- Assistance for households facing financial problems will be diversified to make it possible to choose the type of dwelling: housing allowance, LRH, collective ownership;

- Home ownership assistance, often more substantial, will be granted to low-income families, taking into account the number of dependent children to set an acceptable cost-toincome ratio;

- Renovation assistance should also lead to improved family housing design, particularly in more urban areas.

Dissolving the currently restrictive tie bewteen mode of ownership and type of building will allow for more flexible housing choice. Development of new condominiums and conversion of existing houses into condominiums, as well as improvement in the legal context of co-ownership will make it easier for some householdsto acquire property that is less costly or better adapted to their needs in terms of site, size, etc.

Cooperative and non-profit formulas could on the other hand not only make housing available at a relatively low rent but also encourage community support initiatives for specific activities.

Diversified housing formulas will be offered to elderly and handicapped persons to enable them to choose their lifestyle when they can: development of cooperatives and non-profit organizations and sustained supply of LRH, easier maintenance in the home through mechanisms like the reverse mortgage, home help and aid for families taking in an elderly or handicapped person.

Households will make more enlightened choices because of better market information, particularly when they undertake a real estate transaction.

Variety in housing selection corresponds to lifestyle plurality. With a greater diversity of tenure and building types available, every household will be in a better position to organize its daily life as it sees fit.

Planning and Development

We feel the proposed strategy is of such a nature to accelerate certain changes already in progress in town planning design and practice. Municipalities control physical aspects of housing through zoning and building by-laws, but in exercising this control they have a considerable influence on other aspects:

- the quality of the residential environment, neighbourhood services;
- the availability of housing through acceptance of new residential developments and authorization of additions or subdivisions;
- the price, and hence the affordability of housing, because of the impact of zoning decisions on land prices, or direct real estate action, or restoration work imposed;
- the particular attraction of certain neighbourhoods; for example, parks and controlled-traffic streets are more suitable for families and children;

- the supply of non-profit housing through the initiatives of MHB or municipal NPO or the support offered to other local initiatives.

Physical aspects of housing cannot therefore be dealt with in isolation. This is why, in carrying forward the attitude changes already under way, housing concerns should be more explicit in development decisions, and housing questions treated as part of an overall approach by taking into account the impact of physical aspects on housing and real estate markets.

Integration of local housing market analyses into preliminary work on town planning projects, continuous statistical study of real estate market trends, regularly updated survey of viable vacant land, qualitative inventory of existing housing stock are all ways of considering housing questions in planning decisions.

To reach their development objectives and at the same time make it easier to achieve housing objectives, municipalities will be called upon for even greater involvement in this sector:

- by acting if necessary in the real estate market through strategic use of the land they own or acquisition of land, and in the orientation of urban development;

- by practising a contractual approach with builders, enabling them to control sites and improve the quality of residential subdivisions;

- by promoting demonstration projects on new building, restoration or neighbourhood planning, should the occasion arise.

Taking as their example the role played for some time now by some of them, the municipalities, and possibly the regional county municipalities (RCM), will become more and more active in residential zone planning. The orientation proposed in this document should make such municipal action more likely to improve housing conditions at the lowest collective cost.

CHAPTER VIII

DIVISION OF TASKS

Obviously, to ensure that everyone is better housed, everyone in society has a role to play. Certain action that could be taken by a particular agent has already been suggested, but the list is barely begun. There is no question of completing it here, but rather to indicate briefly the general direction that should guide further proposals for action.

Households must remain the principal architects of their own housing conditions. It is up to them to adapt them, improve them in line with their taste, throughout their lives, by taking the appropriate action: purchase or rental, moving or repair, extension of the dwelling occupied. Basically, specific action by the State in the housing field has no other object than to increase the capacity of households to take such action and thus secure suitable housing for themselves.

Housing, its orientation and general context in Québec are the responsibility of the Québec government because of their very nature. In a sovereign state this would go without saying. And even in the present federal context, such a pre-eminence is justified and can easily be assured.

It is a sector in which there is no inter-provincial circulation of goods, where foreign competition is scarcely felt and whose main aspects, definition of physical components, establishment of rules governing contracts between parties, consumer protection, control of professional activities, clearly come under provincialjurisdiction. It is also a field where Québec has shown its originality in relation to the other provinces, in particular in the type of buildings put up, the many small buildings in large urban centres, in the relative importance of various lenders, among them the Caisses populaires which hold a very large share of the market, and in the quantity and quality of programs implemented by the State, in particular since 1976.

General Agreement Between Federal and Québec Governments

The simplest solution to ensure that the primary responsibility of Québec is affirmed and that the federal government's spending power is directed toward Québec's priorities would be a tax point transfer. Failing this, a general agreement would be necessary, in which federal financial contributions would be defined for each of the programs and rules set forth for advertising of the respective contributions in distributing the programs. Either of these procedures, the first in particular would simplify the role of the State in the housing field, make the various areas of public action more efficient by concentrating on problems and clienteles that take priority, avoid juxtaposition of programs seeking the same ends, and allow each level of government to take credit for its specific aid. Such an arrangement would enable Québec to fully assume its role in directing the field, to allocate public funds according to real needs, and ensure that it can recover its fair

share of the taxes its taxpayers send to the federal government, even if it grants different priorities to various programs. For example, Québec receives proportionally less than Ontario for LRH. It should not necessarily have to reach the same level of requirements to receive as much. Under a general agreement, this relative loss of federal funds for LRH could be allocated to other programs.

Coordination of Québec Policy

Such a guiding and steering role in the field calls for specific action subject to well defined objectives as defined in this document.

On-going survey

It will periodically be necessary to take stock of the housing field, the market situation, changes in housing needs and conditions, and the status of different housing components. Such assessments will be made possible by developing a more sensitive and precise system of statistical information on housing, backing studies in the sector, and of course maintaining a dialogue with the various agents involved.

Optimal allocation of public funds

It is up to the Québec government to define priorities in the allocation of public funds intended for housing and to identify the clienteles that should receive priority treatment. It will be these priorities and the light shed by analysis of housing trends that dictate the definition and adaptation of programs, ways and means of acting and granting subsidies and, if necessary, the adjustment of certain tax provisions to take federal action into account.

Effective, sensitive regulation

Legislative and regulatory provisions, improved or new in some cases, will govern activities so as to maximize overall effectiveness, as well as assure adequate protection of the consumer.

Building quality standards

The Québec government wishes to specify the objectives and principles on which regulations respecting new residential buildings will be based, that is, the National Building Code as updated periodically, and the general regulation respecting safety and habitability in existing buildings in terms of minimum requirements.

Coordination of action by agents

Far from wishing to direct the action of agents involved in housing, the

Québec government proposes to encourage as far as possible the initiatives of groups, associations, entrepreneurs, municipal officers, by diffusing information about various experiments, backing innovation, adapting measures and regulations with a view to facilitating such initiatives, or providing for a permanent coordinating body that brings the various agents together. In so doing, the Québec government wishes to favour coordination of action to ensure that all agents contribute to reaching the same housing objectives.

Permanent Coordinating Mechanism

The way the housing field functions and the orientation proposals suggested make constant dialogue among the various parties indispensable. Even if it has a general effect through its tax and regulatory measures and a decisive sectorial impact through its subsidy programs, the State is not the artisan of everyone's housing conditions.

If we wish the overall trend to improve the general level and lighten the burden of the people with the lowest incomes, and subsequently the cost of transfers for all taxpayers, it is essential that there be some convergence of action by various agents.

This convergence could be fostered, despite the diversity of interests, by a round table where the major agents would periodically meet to exchange their views and share their respective experience. Such a panel would make it possible:

- to ensure that, in their action, all agents subscribe to the guidelines and objectives commonly accepted;
- to suggest, when necessary, adjustments to programs and action, as well as regulations;
- to provide for efficient circulation of information on the situation, on changes that occur in housing needs and conditions, and various supply components;
- to encourage commitments on the part of agents and promote the development of innovative initiatives as well as greater diffusion of such experiments.

The manner in which CORVÉE-HABITATION was developed and in which its board of directors operates shows that only concerted action can make possible sensitive, effective and limited State intervention, whatever the nature and conditions of each contribution.It is not necessary for this contribution to be financial to help improve housing conditions; realistic points of view, original solutions, energetic pursuit of objectives are indispensable ingredients in improving residential well-being for all.

APPENDIX

Tables 1 to 70

Description of Housing Aid Programs

Legislation and Orders Instituting Programs in Force

Abbreviations and Acronyms

List of Tables and Graphs

Table 1
Distribution of occupied private dwellings, by tenure and type of building, Québec, 1981 (in thousands)

Type of building	Tenure					
	Owners		Tenants		Total	
	No.	%	No.	%	No.	%
Single-family detached housing	863	74,6	91	8,9	954	43,9
Single-family semi-detached housing	74	6,4	55	5,4	129	5,9
Single-family row housing	26	2,3	52	5,1	78	3,6
Dwellings adjoining a non-residential building	8	0,7	14	1,4	22	1,0
Duplexes	87	7,5	152	15,0	239	11,0
Apartments located in a building less than five storeys high	61	5,3	537	52,9	598	27,5
Apartments located in a building with five storeys or over	4	0,3	111	10,9	116	5,4
Mobile homes	33	2,9	4	0,4	37	1,7
Total	1157	100,0	1015	100,0	2173	100,0

Source: Statistics Canada, Canada Census, 1981.

Table 2
Distribution of occupied private dwellings, by tenure and number of rooms, Québec, 1981 (in thousands)

Number of rooms	Tenure					
	Owners		Tenants		Total	
	No.	%	No.	%	No.	%
1	1	0,1	35	3,4	36	1,7
2	4	0,3	68	6,7	72	3,3
3	17	1,5	213	21,0	230	10,6
4	92	7,9	350	34,5	442	20,3
5	324	28,0	228	22,5	552	25,4
6	252	21,8	72	7,1	324	14,9
7	198	17,1	28	2,7	226	10,4
8 or over	270	23,3	21	2,1	291	13,4
Total	1157	100,0	1015	100,0	2173	100,0

Source: Statistics Canada, Canada Census, 1981.

Table 3
Distribution of occupied private dwellings, by tenure and period of construction, Québec, 1981 (in thousands)

Period of construction	Tenure					
	Owners		Tenants		Total	
	No.	%	No.	%	No.	%
Before 1920	133	11,5	105	10,3	238	11,0
1921 - 1945	126	10,9	170	16,8	296	13,6
1946 - 1960	275	23,8	243	24,0	518	23,8
1961 - 1970	240	20,8	240	23,6	480	22,1
1971 - 1975	186	16,1	135	13,3	322	14,8
1976 - 1979	165	14,2	101	10,0	266	12,3
1980	27	2,3	17	1,7	44	2,0
1981	5	0,4	4	0,3	9	0,4
Total	1157	100,0	1015	100,0	2 173	100,9

Source: Statistics Canada, Canada Census, 1981.

Table 4
Distribution of occupied private dwellings, by tenure and census area, Québec, 1981 (in thousands)

Census area	Tenure					
	Owners		Tenants		Total	
	No.	%	No.	%	No.	%
Montréal Metropolitan Area	428	37,0	599	59,0	1027	47,1
Québec Metropolitan Area	99	8,5	97	9,6	195	9,0
Hull Metropolitan Area	32	2,8	24	2,4	56	2,6
Chicoutimi-Jonquière Metropolitan Area	25	2,2	15	1,5	40	1,9
Trois-Rivières Metropolitan Area	20	1,7	18	1,8	39	1,8
Sherbrooke Agglomeration	20	1,7	22	2,2	41	1,9
Other urban municipalities[1]	184	15,9	167	16,4	353	16,3
Rural municipalities	349	30,2	72	7,1	421	19,4
Total	1157	100,0	1015	100,0	2173	100,0

Source: Statistics Canada, Canada Census, 1981.
1. 1 000 inhabitants and over

Table 5
Distribution of occupied private dwellings, by tenure and type of repairs required, Québec, 1981 (in thousands)

Type of repairs required	Tenure					
	Owners		Tenants		Total	
	No.	%	No.	%	No.	%
Regular maintenance[1]	884	76,4	777	76,5	1661	76,5
Minor repairs[2]	190	16,4	156	15,4	346	15,9
Major repairs[3]	84	7,2	82	8,1	166	7,6
Total	1157	100,0	1015	100,0	2173	100,0

Source: Statistics Canada, Canada Census, 1981.

1. Regular maintenance: painting, cleaning of heating system, etc.
2. Minor repairs: work required to replace detached or missing ceramic tiles, bricks, or shingles, steps, ramps, defective exterior cladding, etc.
3. Major repairs: defective plumbing or electrical installations, walls, floors, or ceilings, etc.

Table 6
Distribution of occupied private dwellings, by tenure and type of building, Québec, 1981 (in thousands)

Type of building	Tenure					
	Owners		Tenants		Total	
	No.	%	No.	%	No.	%
Single-family detached housing	258	60,2	17	2,8	275	26,8
Single-family semi-detached housing	51	12,0	26	4,3	78	7,7
Row housing	21	4,9	35	5,9	56	5,4
Dwellings adjoining a non-residential building	2	0,4	6	1,0	8	0,8
Duplexes	45	10,5	78	13,0	123	11,9
Apartments located in a building less than five storeys high	45	10,5	349	58,3	393	38,2
Apartments located in s building with five storeys or over	3	0,8	88	14,7	92	8,9
Mobile homes	3	0,7	-	-	3	0,3
Total	428	100,0	599	100,0	1027	100,0

Source: Statistics Canada, Canada Census, 1981.

Table 7
Distribution of occupied private dwellings, by tenure and type of building, Toronto, 1981 (in thousands)

Type of building	Tenure					
	Owners		Tenants		Total	
	No.	%	No.	%	No.	%
Single-family detached housing	388	66,1	31	6,8	419	40,3
Single-family semi-detached housing	109	18,6	16	3,6	125	12,0
Row housing	39	6,7	27	6,0	66	6,3
Dwellings adjoining a non-residential building	1	0,2	3	0,7	5	0,5
Duplexes	6	1,0	9	2,0	15	1,4
Apartments located in a building less than five storeys high	7	1,2	97	21,3	104	10,0
Apartments located in a building with five storeys or over	36	6,2	270	59,6	306	29,4
Mobile homes	-	-	-	-	1	0,1
Total	587	100,0	453	100,0	1040	100,0

Source: Statistics Canada, Canada Census, 1981.

Table 8
Average gross rent, except farm dwellings, by number of rooms, Québec, 1981

Number of rooms	Average gross rent (monthly)
1	195 $
2	209
3	237
4	261
5	289
6	297
7 or over	317
Total (Québec)	262 $
Total (Ontario)	303 $

Source: Statistics Canada, Canada Census, 1981.

Table 9
Distribution of non-farm owner-occupied private dwellings, by type of construction and value of dwelling, Québec, 1981

Description	Under 20 000$	20 000-34 999$	35 000-49 999$	50 000-64 999$	65 000-79 999$	80 000-99 999$	100 000$ or over	Total dwellings	Value of dwelling -average -median
Detached dwellings	49 065	143 745	277 420	201 860	79 510	35 490	43 940	831 030	50 702$
%	5,9	17,3	33,4	24,3	9,6	4,2	5,3	100,0	47 041$
Apt. in build. with 5 storeys or over	90	160	320	1 210	905	635	870	4 195	80 474$
%	2,2	3,8	7,6	28,9	21,6	15,1	20,8	100,0	70 224$
Other multiple unit buildings	14 210	38 880	66 685	52 275	31 950	22 610	29 540	256 150	59 335$
%	5,6	15,2	26,0	20,4	12,5	8,8	11,5	100,0	52 380$
.row housing	4 900	16 985	34 685	20 850	11 660	7 655	13 320	110 060	59 834$
%	4,5	15,4	31,5	18,9	10,6	7,0	12,1	100,0	49 333$
.duplex	4 495	13 140	21 765	20 705	11 960	8 635	8 105	88 795	56 895$
%	5,1	14,8	24,5	23,3	13,5	9,7	9,1	100,0	53 623$
.apt. in build. less than 5 storeys	4 820	8 755	10 240	10 720	8 330	6,320	8 110	57 300	62 155$
%	8,4	15,3	17,9	18,7	14,5	11,0	14,2	100,0	56 764$
Mobile homes	16 605	13 865	1 445	400	125	10	70	32 505	19 799$
%	51,1	42,7	4,4	1,2	0.4	--	0,2	100,0	n.a.*
Total occupied private dwel.	79 980	196 650	345 875	255 745	112 485	58 740	74 400	1 123 800	51 887$
%	7,1	17,5	30,8	22,8	10,0	5,2	6,6	100,0	47 373$
Average household income (in dollars)	17 173	19 825	25 454	30 095	34 348	37 654	55 641	28 109	--

Source: Statistics Canada, Canada Census, 1981.
* Not available

Table 10
Distribution of non-farm owner-occupied private dwellings, by type of construction and value of dwelling, Ontario, 1981

Description	Under 20 000$	20 000-34 999$	35 000-49 999$	50 000-64 999$	65 000-79 999$	80 000-99 999$	100 000$ or over	Total dwellings	Value of dwelling -average -median
Detached dwellings	43 240	93 450	259 265	310 615	230 345	194 415	338 285	1 469 535	80 095$
%	2,9	6,4	17,7	21,1	15,7	13,2	23,0	100,0	66 835$
Apt. in build. with 5 storeys or over	1 010	3 610	13 250	12 075	6 970	3 600	5 755	46 280	65 881$
%	2,2	7,8	28,6	26,1	15,1	7,8	12,4	100,0	56 538$
Other multiple unit buildings	7 245	12 040	53 720	58 640	51 010	50 615	48 950	282 225	74 754$
%	2,6	4,3	19,0	20,8	18,1	17,9	17,3	100,0	67 782$
.row housing	5 805	8 675	45 240	48 325	44 490	45 960	38 180	236 680	73 044$
%	2,5	3,7	19,1	20,4	18,8	19,4	16,1	100,0	68 470$
.duplex	705	1 795	6 110	6 845	4 185	2 740	5 160	27 545	77 723$
%	2,6	6,5	22,2	24,9	15,2	9,9	18,7	100,0	61 310$
.apt. in build. less than 5 storeys	740	1 565	2 370	3 475	2 335	1 910	5 605	18 000	92 694$
%	4,1	8,7	13,2	19,3	13,0	10,6	31,1	100,0	70 481$
Mobile homes	12 250	6 345	1 500	520	190	130	155	21 100	20 912$
%	58,1	30,1	7,1	2,5	0,9	0,6	0,7	100,0	n.a.*
Total occupied private dwel.	63 755	115 450	327 735	381 860	288 515	248 765	393 060	1 819 140	78 218$
%	3,5	6,3	18,0	21,0	15,9	13,7	21,6	100,0	66 080$
Average household income (in dollars)	21 467	17 886	22 245	26 580	30 397	33 246	48 233	30 257	--

Source: Statistics Canada, Canada Census, 1981.
* Not available

Table 11
Average gross rent (annual) in dollars, by number of rooms and type of repairs required, except farm dwellings, Québec, 1981

Description	Number of rooms							
Type of repairs required	1	2	3	4	5	6	7 or over	All dwell.
	$	$	$	$	$	$	$	$
Major repairs	2 220	2 460	2 568	2 928	3 216	3 240	3 456	2 998
Minor repairs	2 340	2 484	2 772	3 072	3 372	3 552	3 768	3 132
Regular maintenance	2 352	2 508	2 868	3 156	3 516	3 624	3 900	3 156
Total	2 340	2 508	2 844	3 132	3 468	3 564	3 804	3 132

Source: Statistics Canada, Canada Census, 1981.

Table 12
Housing starts in certain census areas and in the whole of Québec, 1971 to 1983

	Chicoutimi-Jonquière		Montréal		Hull		Québec		Sherbrooke		Trois-Rivières		Whole of Québec	
	No.	Change %	No.	Change %	No.	Change %	No.	Change %	No.	Change %	No.	Change %	No.	Change %
1971	791		22 285		2 538		8 274		1 165		1 121		51 781	
1972	1 425	80,2	24 731	11,0	4 079	60,7	8 420	1,8	1 163	-0,2	884	-21,1	55 546	7,7
1973	1 581	10,9	30 700	24,1	3 560	-12,7	4 648	-44,8	629	-45,9	1 245	40,8	59 550	6,8
1974	1 463	-7,5	24 758	-19,4	2 382	-33,1	3 209	-31,0	347	-44,8	1 355	8,8	51 642	-13,3
1975	1 261	-13,8	26 702	7,9	3 034	27,4	4 884	52,2	470	35,4	1 070	-21,0	54 741	6,0
1976	964	-23,6	37 731	41,3	1 942	-36,0	5 425	11,1	728	54,9	781	-27,0	68 748	25,6
1977	1 262	30,9	27 193	-27,9	464	-76,1	8 456	55,8	1 796	146,7	1 109	42,0	55 580	-16,2
1978	1 540	22,0	18 300	-32,7	579	24,8	7 004	-17,2	1 413	-21,3	1 284	15,8	43 671	-24,2
1979	1 464	-4,9	16 188	-11,5	435	-24,9	5 186	-26,0	1 459	3,3	1 868	45,5	41 730	-4,4
1980	680	-53,6	12 433	-23,2	372	-14,5	3 545	-31,6	786	-46,1	618	-66,9	29 186	-30,1
1981	582	-14,4	14 643	17,8	324	-12,9	3 746	5,7	618	-21,4	543	-12,1	29 645	1,6
1982	419	-28,1	11 497	-21,5	497	53,4	3 071	-18,0	359	-41,9	521	-4,1	23 492	-20,8
1983	751	79,2	19 682	71,2	1 413	184,3	4 622	50,5	853	137,6	721	38,4	40 318	71,6

Source: CMHC, Canadian Housing Statistics.

Table 13
Number of dwellings completed, transformed or demolished, 1971-1981, and changes in, total housing stock in Québec

Year	Dwellings completed	Dwellings transformed	Dwellings demolished	Remainder	Net growth	Net total stock (in thousands)	
	(A)	(B)	(C)	(D)	(A+B-C+D)	No.	%
1971 (June)	31 170	786	2 778	4 056	33 234	1 717	-
1972	53 466	1 102	5 772	5 696	54 492	1 772	3,2
1973	55 260	994	5 660	5 747	56 341	1 828	3,2
1974	58 596	1 845	5 502	4 695	59 634	1 888	3,3
1975	51 540	1 076	3 861	3 685	52 440	1 940	2,8
1976	54 301	826	2 474	12 905	65 559	2 006	3,4
1977	61 979	1 039	2 453	14 165	74 730	2 080	3,7
1978	54 129	1 069	2 686	9 345	61 857	2 142	3,0
1979	44 288	1 144	2 883	9 589	52 138	2 194	2,4
1980	33 560	1 072	3 229	6 649	38 052	2 232	1,7
1981 (June)	9 671	531	1 428	1 591	10 365	2 242	0,5

Note: Mobile homes are not included in the total housing stock, but vacant private dwellings are.
Source: Statistics Canada, Construction Division (special compilation).

Table 14
Number of dwellings completed, transformed or demolished, June 1971 to June 1981, and changes in total housing stock in Canada

Year	Dwellings completed	Dwellings transformed	Dwellings demolished	Remainder	Net growth	Net total stock (in thousands)	
	(A)	(B)	(C)	(D)	(A+B-C+D)	No.	%
1971 (June)	201 232	1 605	8 340	+1 849	196 346	6 375	-
1972	232 227	2 321	15 347	-1 088	218 113	6 594	3,4
1973	246 581	2 441	16 046	-2 557	230 419	6 825	3,5
1974	257 243	3 417	14 630	-5 510	240 520	7 066	3,5
1975	216 964	2 073	11 667	-4 357	203 013	7 270	2,9
1976	236 249	1 931	11 888	+3 159	229 451	7 501	3,2
1977	251 789	2 242	12 991	-1 410	239 630	7 741	3,2
1978	246 533	2 137	13 265	-10 306	225 099	7 967	2,9
1979	226 489	2 442	12 700	+1 877	218 108	8 186	2,7
1980	176 168	2 528	13 505	+3 998	169 189	8 356	2,1
1981 (June)	62 695	1 031	5 678	+1 934	59 982	8 416	0,7

Note: Mobile homes are not included in the total housing stock, but vacant private dwellings are.
Source: Statistics Canada, Construction Division (special compilation).

Table 15
Changes in certain indicators of housing stock quality, Québec, 1961, 1971 and 1981 (in thousands of dwellings)

Description	1961		1971		1981	
	No.	%	No.	%	No.	%
Without bathroom	55	4,6	24	1,5	14	0,6
Shared bathroom	58	4,9	15	0,9	n.a.*	
Neither bath nor shower	184	15,4	89	5,6	38	1,7
Without running water	33	2,8	16	1,0	n.a.*	
Cold water only	216	18,1	78	4,9	n.a.*	
Without central heating	524	44,0	512	31,9	269	12,4
Total dwellings	1 191	100	1 603	100	2 173	100

Source: Statistics Canada, Censuses, 1961, 1971 and 1981.
* Not available

Table 16
Total expenditures for repairs and renovation, average per dwelling, and percentage of these expenditures in housing construction as a whole, Québec, 1971, 1976 and 1981, (in constant 1982 dollars)

Description	1971	1976	1981
Expenditures for repairs (in millions of dollars)	541	804	962
Expenditures for renovation (in millions of dollars)	287	593	694
Total expenditures for repairs and renovation (in millions of dollars)	828	1 397	1 656
Average per dwelling	482	697	731
Percentage of repairs and renovation in housing construction as a whole[1]	28 %	30 %	47 %

1. Housing construction includes new construction, repairs and renovation in the residential sector.
Source: Statistics Canada, Construction Division.

Table 17
Residential building firms registered with the Association provinciale des constructeurs d'habitation du Québec, by number of dwellings built between October 1, 1982 and September 30, 1983, Québec

Number of dwellings	Number of firms	%
0 - 10	718	63,1
11 - 25	215	18,9
26 - 50	138	12,1
51 - 75	40	3,5
76 - 100	12	1,1
101 - 200	13	1,1
201 or over	2	0,2
Total	1 138	100,0

Source: Association provinciale des constructeurs d'habitation du Québec.

Table 18
Distribution of general residential building firms, by business turnover, Ontario, 1981

Description	10000-249999$	250000-499999$	500000-749999$	750000-999999$	1000000-1999999$	2000000$ or over	Total
Number of establishments	2 646	505	208	98	135	125	3 717
Relative share (%)	(71,2)	(13,6)	(5,6)	(2,6)	(3,6)	(3,4)	(100,0)
Number of establishments classified new construction	1 867	414	179	89	104	120	2 773
Relative share (%)	(50,2)	(11,2)	(4,8)	(2,4)	(2,8)	(3,2)	(74,6)
Number of establishments classified repairs	779	91	29	9	31	5	944
Relative share (%)	(21,0)	(2,5)	(0,8)	(0,2)	(0,8)	(0,1)	(25,4)
Overall value of construction output in thousands of $	214 973	177 841	127 032	84 436	182 179	1 046 360	1 832 821
Relative share (%)	(11,7)	(9,7)	(6,9)	(4,6)	(10,0)	(57,1)	(100,0)

Source: Statistics Canada, Residential General Building Contracting Industry, 1981.

Table 19
Distribution of general residential building firms, by business turnover, Québec, 1981

Description	10000-249999$	250000-499999$	500000-749999$	750000-999999$	1000000-1999999$	2000000$ or over	Total
Number of establishments	1 126	346	147	96	131	77	1 923
Relative share (%)	(58,6)	(18,0)	(7,6)	(5,0)	(6,8)	(4,0)	(100,0)
Number of establishments classified new construction	736	249	125	86	128	74	1 398
Relative share (%)	(38,3)	(12,9)	(6,5)	(4,5)	(6,7)	(3,8)	(72,7)
Number of establishments classified repairs	390	97	22	10	3	3	525
Relative share (%)	(20,3)	(5,0)	(1,1)	(0,5)	(0,2)	(0,2)	(27,3)
Overall value of construction output in thousands of $	116 674	118 842	89 756	83 549	173 847	313 077	895 745
Relative share (%)	(13,0)	(13,3)	(10,0)	(9,3)	(19,4)	(35,0)	(100,0)

Source: Statistics Canada, Residential General Building Contracting Industry, 1981.

Table 20
Production costs of construction in Québec, Ontario and Canada, by input, in millions of dollars and in percentage, 1971, 1976 and 1981

Description	Québec			Ontario			Canada		
	1971	1976	1981	1971	1976	1981	1971	1976	1981
Labour	339,2	910,7	941,8	642,5	1 351,0	1 506,2	1 576,0	3 860,5	4 706,4
Rel. share (%)	32,7	32,7	30,0	32,8	32,5	31,3	32,7	32,3	30,1
Materials	479,2	1 088,8	1 282,2	901,0	1 590,8	1 837 6	2 222,0	4 565,9	6 116,4
Rel. share (%)	46,3	39,1	40,9	46,0	38,2	38,2	46,1	38,1	39,1
Other costs	217,8	782,8	912,0	416,4	1 219 2	1 463,0	1 021,4	3 544,9	4 817,3
Rel. share (%)	21,0	28,2	29,1	21,2	29,3	30,5	21,2	29,6	30,8
Total	1 036,2	2 782,3	3 135,9	1 960,0	4 161,0	4 806,8	4 819,4	11 971,2	15 640,0
	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: Statistics Canada, Construction in Canada.

Table 21
Price indexes for labour and materials in residential building construction in Québec, Ontario and Canada, 1971, 1976 and 1981

Description	Québec			Ontario			Canada		
	1971	1976	1981	1971	1976	1981	1971	1976	1981
Labour price index	100,0	170,8	260,4	100,0	165,8	240,2	100,0	172,8	258,5
Change %		70,8	52,5		65,8	44,9		72,8	49,6
Material price index	100,0	158,9	238,8	100,0	151,0	234,1	100,0	153,6	236,4
Change %		58,9	50,3		51,0	55,0		53,6	53,9
All-input price index	100,0	163,0	246,3	100,0	156,4	236,4	100,0	160,5	244,3
Change (%)		63,0	51,1		56,4	51,2		60,5	52,2

Source: Statistics Canada, Construction Price Statistics.

Table 22
Average prices for houses and land[1], 1971, 1976, 1981

Description	Montréal			Québec			Toronto		
	1971	1976	1981[2]	1971	1976	1981[2]	1971	1976	1981[2]
Average house price	$ 15 655	$ 28 949	$ 49 568	$ 15 642	$ 27 685	$ 43 287	$ 20 539	$ 29 074	$ 52 752
% incease		84,9	71,2		77,0	56,4		41,6	81,4
Average land price	2 179	3 229	7 341	2 418	4 112	9 310	12 107	28 343	34 731
% increase		48,2	127,3		70,1	126,4		134,1	22,5
Average total price (house + land)	17 834	32 178	56 909	18 060	31 797	52 597	32 646	57 417	87 483
% increase		80,4	,76,9		76,1	65,4		75,9	52,4
Rel. share of land/ Average total price	% 12,2	% 10,0	% 12,9	% 13,4	% 12,9	% 17,7	% 37,1	% 49,4	% 39,7

1. These statistics concern only new single-family detached housing financed under the National Housing Act (NHA mortgages).
2. In 1981 the relative share of land in the average total price was the same as in 1980.

Source: CMHC, Canadian Housing Statistics, 1976 and 1983.

Table 23
New housing price index, 1976, 1981, 1982

1976 = 100	Montréal			Québec			Toronto		
	1976	1981	1982	1 976	1981	1982	1976	1981	1982
House	100,0	143,6	154,2	100,0	141,3	149,6	100,0	131,3	134,1
Land	100,0	141,4	152,1	100,0	209,0	221,1	100,0	106,4	104,9
Overall index	100,0	143,3	154,0	100,0	149,5	158,3	100,0	121,9	123,0

Source: Statistics Canada, Construction Price Statistics.

Table 24
Proportion of fixed price work in expenditures for residential renovation and repairs, Québec, 1978, 1979, 1980

	Renovation work[1]	Repair work[2]	Total
1978	68 %	53 %	60 %
1979	66 %	58 %	62 %
1980	66 %	52 %	58 %
Moyenne	67 %	54 %	60 %

1. Major improvements and additions.
2. Minor repairs and maintenance.
Source: Statistics Canada, Construction Division.

Table 25
NHA and conventional mortgage loans granted by lending institutions, by type of lender, in Québec and Canada, 1981 (in millions of dollars and percentage)

Type of lender	Québec			Canada		
	NHA	Conventional	Total	NHA	Conventional	Total
Chartered banks	225	221	446	921	2 226	3 147
Relative share (%)	28,3	9,1	13,8	29,5	28,3	28,6
Insurance companies	50	142	192	256	798	1 054
Relative share (%)	6,2	5,9	6,0	8,2	10,2	9,6
Trust companies	320	169	489	1 114	1 867	2 981
Relative share (%)	40,2	7,0	15,2	35,6	23,7	27,1
Loan and other companies	182	112	294	817	1 190	2 007
Relative share (%)	22,9	4,6	9,1	26,1	15,1	18,3
Québec savings and credit unions	19	1 781	1 800	19	1 781	1 800
Relative share (%)	2,4	73,4	55,9	0,6	22,7	16,4
Total	795	2 425	3 220	3 127	7 862	10 989
	100 %	100 %	100 %	100 %	100 %	100 %

Source: CMHC, Canadian Housing Statistics, 1982.
BSQ, Statistiques financières des Caisses d'épargne et de crédit du Québec, 1981.

Table 26
Mortgage indebtedness of owner-occupants, Québec, Ontario and Canada, 1977

	Québec	Ontario	Canada
A. Average market value of dwelling	30 275 $	53 225 $	43 843 $
B. Percentage of properties mortgaged	62,0 %	56,1 %	54,0 %
C. Average mortgage, debtors	13 490 $	21 221 $	18 287 $
D. Average mortgage, all owners	8 364 $	11 905 $	9 875 $
E. Average percentage of mortgage indebtedness[1]	27,6 %	22,4 %	22,5 %

Source: Statistics Canada, Incomes, Assets and Indebtedness of Families in Canada, 1980, Ottawa, pp. 77-79.

1. Obtained by dividing the average mortgage of all owners by the average value of the dwelling.

Table 27
Relative importance in percentage of different components in gross rental income, according to owner's status, Québec, 1982

	Companies	Individuals	All buildings
Municipal taxes	12,7	14,1	13,4
School taxes	0,7	0,8	0,8
Insurance	1,2	2,4	1,7
Energy	14,3	15,0	15,0
Maintenance	15,3	11,1	13,7
Net income	55,8	56,6	55,4
Gross income	100,0	100,0	100,0

Note: All buildings include both heated and unheated buildings. This statistic was established on the basis of a sample of 6 431 buildings containing 107 739 dwellings.

Source: Régie du logement, statistical operations, building file, rent setting 1982, tables 79 and 91.

Table 28
Average monthly rent, by number of rooms in the dwelling, owner's status, and average number of dwellings per building, Québec, 1982

	Companies	Individuals	All buildings
1 - 1½	311,45 $	190,00 $	264,45 $
2 - 2½	254,00	211,50	234,25
3 - 3½	288,15	235,30	265,40
4 - 4½	322,45	251,80	282,70
5 - 5½	345,00	279,50	309,05
6 or over	543,55	467,65	496,75
Average rent	314,25 $	255,30 $	284,05 $
Average number of dwellings per building	61,6	9,0	15,9

Note: All buildings include both heated and unheated buildings. This statistic was established on the basis of a sample of 6 431 buildings containing 107 739 dwellings.

Source: Régie du logement, statistical operations, building file, rent setting 1982, tables 18, 24, 10 and 6.

Table 29
Changes in operating results, by category of building, 1978 to 1983

	1978	1979	1980	1981	1982	1983	Total
4 to 11 dwellings							
Number of cases	11	18	20	27	33	17	126
Gross income (%)	100,00	100,00	100,00	100,00	100,00	100,00	100,00
Operating costs (%)	48,27	45,55	48,03	53,44	54,12	58,48	51,31
Net profit before financing costs (%)	51,73	54,45	51,97	46,56	45,88	41,52	48,69
Financing costs (%)	41,77	39,99	36,69	34,80	34,91	41,39	36,54
Net operating profit (%)	9,96	14,46	15,28	11,76	10,97	0,13	12,15
12 dwellings or over							
Number of cases	22	28	29	39	35	9	162
Gross income (%)	100,00	100,00	100,00	100,00	100,00	100,00	100,00
Operating costs (%)	46,85	54,13	58,56	59,89	61,02	58,35	56,43
Net profit (net loss)before financing costs (%)	53,15	45,87	41,44	40,11	38,98	41,65	43,57
Financing costs (%)	51,72	44,68	45,14	47,07	49,09	49,92	47,93
Net operating profit (net operating loss) (%)	1,43	1,19	(3,70)	(6,96)	(10,11)	(8,27)	(4,36)

Source: MHPC, study on returns in the rental sector, 1984.

Table 30
Vacancy rate for apartment buildings with six dwellings or over, for census metropolitan areas of Montréal, Québec, Chicoutimi-Jonquière and Hull, 1971 to 1983 (in percentage)

	Montréal %	Québec %	Chicoutimi-Jonquière %	Hull %
1971[1]	7,2	4,8	n.a.	3,5
1972[2]	2,9	4,5	0,7	3,3
1973	1,9	2,8	0,8	2,0
1974	1,2	1,6	1,1	2,5
1975[3]	1,7	1,4	1,1	4,9
1976	1,3	0,7	0,9	8,8
1977	3,6	1,9	0,3	6,7
1978	5,5	3,6	0,4	6,7
1979	4,5	4,4	2,3	7,0
1980	3,4	2,8	1,4	5,8
1981	1,9	1,8	1,3	2,3
1982	2,7	4,8	4,7	0,5
1983	3,2	5,2	2,3	0,7

Source: CMHC, Canadian Housing Statistics, 1973, 1976, 1979, 1982, 1983.
1. In 1971, the survey was carried out in June.
2. From 1972 to 1974, surveys were carried out in December.
3. From 1975 on, the data are those of October.
* Not available

Table 31
Distribution of Québec population, by type of household, 1981

Household		Population	
		Number	%
1.	Persons in private dwellings occupied by the usual residents	6 296 435	97,8
1.1	Persons in private dwellings occupied by a family household	5 560 140	86,3
1.1.1	Persons belonging to a family	5 397 160	83,8
1.1.2	Persons outside the family	162 980	2,5
1.2	Persons in private dwellings occupied by non-family households	642 255	10,0
1.3	Persons in private dwellings occupied by multi-family households	94 035	1,5
2.	Persons in collective dwellings occupied by the usual residents	115 190	1,8
3.	Temporary residents or outsiders	26 778	0,4
Total population (June 3, 1981)		6 438 403	100,0

Note: Percentages are calculated on the basis of population population categories and sub-categories.
Source: Statistics Canada, Canada Census, 1981.

Table 32
Distribution of private households and population, and average number of persons per household, by type of household, Québec, 1981

Type of household	Households		Population		Average persons per household
	Number	%	Number	%	
Family households	1 638 730	75,4	5 560 140	88,3	3,39
.childless couples	477 025	22,0	992 345	15,8	2,08[1]
.couples with children	963 245	44,3	3 984 940	63,3	4,14
.single-parent families	198 460	9,1	582 855	9,2	2,94
Non-family households	518 115	23,9	642 255	10,2	1,24
.single persons	425 055	19,6	425 030[2]	6,8	1,00
.two persons or over	93 060	4,3	217 225	3,4	2,33
Multi-family households	16 025	0,7	94 035	1,5	5,87
Total	2 172 855	100,0	6 296 435	100,0	2,90

Source: Statistics Canada, Canada Census, 1981 (special compilation).
1. The presence of persons from outside the family in the households of childlesscouples raises the figure from 2 to 2.08.
2. The difference is due to the method used to round off the number.

Table 33
Population in collective housing, by type of institution, number of boarders and number of non-boarders, and age group, Québec, 1981

Cat.	Type of housing	Total dwellings[1]	Total	Under 15	15-24	25-34	35-54	55-64	65-74	75 or over
1.	Institutional coll. dwellings	2 160	94 790	2 565	6 660	5 520	12 485	10 885	17 850	38 815
	. boarders[2]		68 125	2 470	6 100	4 790	6 960	5 420	10 290	32 090
	. non-boarders		26 665	100	560	725	5 525	5 465	7 565	6 725
1.1	Hospitals and other establishments	1 175	64 720	1 530	3 265	3 230	6 655	5 800	10 885	33 360
	. boarders		61 585	1 465	3 095	3 100	6 190	5 365	10 285	32 090
	. non-boarders		3 135	65	170	130	465	440	605	1 265
1.1.1	General hosp., phys. hand. per.	270	19 310	1 175	2 450	2 410	3 645	2 355	2 715	4 570
	. boarders		18 765	1 160	2 390	2 370	3 540	2 285	2 640	4 385
	. non-boarders		550	10	55	50	100	80	80	180
1.1.2	Spec. care, elderly, chron. care	910	45 410	360	815	815	3 020	3 440	8 170	28 790
	. boarders		42 820	305	700	730	2 655	3 080	7 640	27 700
	. non-boarders		2 590	50	115	85	365	360	525	1 085
1.2	Orphanages	60	1 525	680	515	90	85	60	70	30
1.3	Penit. and corr. establishments[3]	90	5 390	335	2 575	1 640	770	55	15	--
	. boarders		5 300	335	2 515	1 625	765	60	5	--
	. non-boarders		90	--	60	20	10	--	5	--
1.4	Religious institutions	835	23 150	30	305	555	4 975	4 970	6 885	5 430
2.	Service coll. housing	2 110	16 700	755	2 345	2 410	4 645	2 530	1 945	2 065
2.1	Hotels/motels/tourist homes	915	3 600	180	590	585	1 245	555	285	165
2.2	Rooming and boarding houses	910	8 480	165	1 070	1 240	2 375	1 410	1 085	1 135
2.3	Others[4]	280	4 625	410	685	595	1 025	570	575	765
3.	Work site camps	35	245	--	60	100	65	20	--	5
4.	Military camps[5]	45	3 450	5	3 040	275	120	10	--	--
	Total collective dwellings	4 345	115 190	3 330	12 105	8 305	17 320	13 435	19 800	40 885

1. Not including collective housing occupied only by temporary residents or outsiders.
2. Except religious institutions and orphanages.
3. Including homes for juvenile delinquents and prisons.
4. Including school residences, YM and YWCA, hunting and fishing lodges.
5. Including warships, merchant ships and coast guard vessels.

Source: Statistics Canada, Canada Census, 1981 (special compilation).

Table 34
Distribution of households, in 1971 and 1981, by type of household, and percentage increase, Québec

Type of household	1971		1981		Percentage increase
	Number	%	Number	%	
Family households	1 298 705	80,9	1 638 730	75,4	26,2
. childless couples	346 925	21,6	477 025	22,0	37,5
. couples with children	816 575	50,9	963 245	44,3	18,0
. single-parent families	135 205	8,4	198 460	9,1	46,8
Non-family households	279 530	17,4	518 115	23,9	85,4
. single persons	193 575	12,1	425 055	19,6	119,6
. two persons or over	85 955	5,3	98 060	4,3	8,3
Multi-family households	27 510	1,7	16 025	0,7	-41,7
Total	1 605 750	100,0	2 172 855	100,0	35,3

Source: Statistics Canada, Censuses of 1971 and 1981.

Table 35
Distribution of population in 1961, 1971, 1981, by age group, Québec

Age group	1961		1971		1981	
	Number	%	Number	%	Number	%
0 - 4	671 256	12,8	480 520	8,0	473 030	7,4
5 - 14	1 192 139	22,7	1 305 015	21,7	922 690	14,3
15 - 24	837 059	15,9	1 170 700	19,4	1 263 775	19,6
25 - 34	735 825	14,0	857,295	14,2	1 137 145	17,7
35 - 44	665 734	12,7	719 575	11,9	827 930	12,9
45 - 54	511 334	9,7	621 705	10,3	682 095	10,6
55 - 64	339 563	6,4	459 935	7,6	562 365	8,7
65 or over	306 301	5,8	413 010	6,9	569 370	8,8
Total	5 259 211	100	6 027 760	100	6 438 400	100

Source: Statistics Canada, Censuses of 1961, 1971, 1981.

Table 36
Average household income and percentage increasd in 1970 and 1980, by type of household, Québec (in constant 1980 dollars)

	1970	1980	Percentage increase
Family households	21 000 $	25 900 $	23 %
Non-family households	12 500	13 200	6 %
Overall average	19 700	22 900	16 %

Source: Statistics Canada, Censuses of 1971 and 1981.

Table 37
Average family income, by age of head of household, number of persons and number earning employment income, 1980

		Average income
Age of head of household	15 - 24	16 960
	25 - 34	25 198
	35 - 44	30 205
	45 - 54	34 245
	55 - 64	30 430
	65 or over	21 013
Number of persons per family	2	20 700
	3	24 911
	4	28 115
	5 or over	30 730
Number earning employment income	None	9 097
	1	20 589
	2	29 700
	3 or over	40 542

Source: Statistics Canada, Canada Census, 1981.

Table 38
Distribution of private households, by tenure and type of household, 1981

Type of household	Owners		Tenants		Total	
	Number	%	Number	%	Number	%
Family households	1 032 925	63,0	605 790	37,0	1 638 715	100
.childless couples	242 355	50,8	234 665	49,2	477 020	100
.couples with a child	216 530	65,7	113 080	34,3	329 615	100
.couples with at least 2 children	500 960	79,1	132 670	20,9	633 630	100
.single-parent families	73 080	36,8	125 375	63,2	198 455	100
Non-family households	111 975	21,6	406 140	78,4	518 115	100
.single persons	83 965	19,8	341 090	80,2	425 055	100
.two persons or over	28 010	30,1	65 050	69,9	93 060	100
Multi-family households	12 520	78,1	3 500	21,9	16 025	100
Total	1 157 430	53,3	1 015 430	46,7	2 172 860	100

Source: Statistics Canada, Canada Census, 1981.

Table 39
Percentage of owners of non-farm dwellings in census metropolitan areas (CMA) of Montréal, Québec and the rest of Québec, by household income bracket, 1981

Income	Montréal CMA	Québec CMA	Rest of Québec	Total
Under 10 000 $	15,7	20,5	46,5	30,5
10 000 - 14 999 $	23,5	30,4	60,3	41,6
15 000 - 19 999 $	31,9	40,8	65,0	47,9
20 000 - 24 999 $	43,2	52,3	71,4	56,9
25 000 - 29 999 $	52,2	62,2	77,2	63,9
30 000 - 34 999 $	59,8	70,2	81,0	69,4
35 000 - 39 999 $	66,9	74,2	84,0	74,4
40 000 - 44 999 $	72,1	78,9	87,1	78,4
45 000 $ or over	77,6	84,4	89,4	82,3
Total	41,7	50,5	66,4	53,3

Source: Canada Census, 1981.

Table 40
Distribution of households, by type of housing, type of household and tenure, Québec, 1981

Type of households	Single-fam. detached		Apt., 5 storeys or over		Other multiple dwellings		Mobile homes		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Family households	854 160	51,6	46 195	2,8	722 305	43,7	32 100	1,9	1 654 745	100
.owners	790 060	75,6	2 680	0,3	224 005	21,4	28 715	2,7	1 045 450	100
.tenants	64 105	10,5	43 515	7,1	498 305	81,8	3 375	0,6	609 290	100
Non-family households	100 340	19,4	71 300	13,7	341 410	65,9	5 060	1,0	518 110	100
.owners	73 155	65,3	1 515	1,4	33 210	29,6	4 090	3,7	111 975	100
.tenants	27 185	6,7	69 775	17,2	308 200	75,9	970	0,2	406 140	100
All households	954 500	43,9	117 495	5,4	1 063 715	49,0	37 160	1,7	2 172 855	100
.owners	863 220	74,6	4 190	0,4	257 215	22,2	32 805	2,8	1 157 430	100
.tenants	91 290	9,0	113 285	11,2	806 500	79,4	4 350	0,4	1 015 430	100

Source: Statistics Canada, Canada Census, 1981.

Table 41
Distribution of tenants in census metropolitan areas of Montréal, Québec and the rest of Québec 1961 to 1981

Year	Montréal CMA		Québec CMA		Rest of Québec		Total	
	Number	%	Number	%	Number	%	Number	%
1961	370 569	61,0	45 682	7,5	191 136	31,5	607 387	100
1966	449 122	62,1	55 095	7,6	218 891	30,3	723 108	100
1971	521 690	61,9	73 680	8,7	248 070	29,4	843 445	100
1976	571 410	60,8	88 656	9,4	280 183	29,8	940 683	100
1981	599 120	59,0	96 685	9,5	319 620	31,5	1 015 425	100

Source: Statistics Canada, Censuses of 1961, 1966, 1971, 1976, 1981

Table 42
Distribution of occupied private dwellings, by tenure and census area, Québec, 1981

Description	Owners		Tenants		Total
	Number	%	Number	%	Number
Montréal Metropolitan Area	427 800	41,7	599 120	58,3	1 026 920
Island of Montréal	203 600	29,6	484 250	70,4	687 915
La Salle	8 925	31,8	19 130	68,2	28 055
Montréal (City)	90 170	22,0	319 695	78,0	409 865
Montréal-Nord	9 505	28,5	23 880	71,5	33 380
Saint Léonard	8 680	32,2	18 260	67,8	26 945
.Verdun	4 415	17,4	21 000	82,6	25 415
Île Jésus (Laval)	53 775	63,2	31 315	36,8	85 090
Rive-Nord	52 780	75,0	17 585	25,0	70 360
Rive-Sud	113 160	63,8	64 125	36,2	177 285
Lemoyne	680	27,9	1 760	72,1	2 445
Longueuil	15 300	33,8	30 020	66,2	45 320
Québec Metropolitan Area	98 775	50,5	96 685	49,5	195 460
Other urban municipalities in Québec	281 780	53,2	247 535	46,8	529 310
Rural municipalities	349 080	82,9	72 085	17,1	421 170
Total	1 157 435	53,3	1 015 425	46,7	2 172 860

Source: Statistics Canada, Canada Census, 1981.

Table 43
Distribution of non-farm homeowner households in Québec, by value of house (1981) and household income (1980)

Household income bracket	Number of households	%	Under 30000 $		30000-39999 $		40000-49999 $		50000-59999 $		60000-79999 $		80000 $ or over	
			Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 5 000 $	49 965	4,5	19 100	9,9	9 630	5,2	8 210	3,4	5 270	2,9	4 575	2,4	3 145	2,4
5 000 - 9 999 $	97 270	8,7	37 195	19,2	22 000	11,9	16 210	6,7	9 250	5,2	8 130	4,3	4 495	3,4
10 000 - 14 999 $	113 800	10,1	33 915	17,5	25 435	13,7	22 785	9,3	13 345	7,4	11 815	6,3	6 505	4,9
15 000 - 19 999 $	135 365	12,0	30 265	15,6	29 895	16,2	31 595	13,0	19 090	10,6	15 805	8,4	8 720	6,5
20 000 - 24 999 $	158 490	14,1	25 870	13,4	31 370	17,0	42 320	17,3	25 775	14,4	22 005	11,7	11 140	8,4
25 000 - 29 999 $	144 615	12,9	17 305	8,9	23 730	12,8	38 865	15,9	27 150	15,1	25 120	13,3	12 445	9,3
30 000 - 39 999 $	209 330	18,6	18 345	9,5	26 655	14,4	50 530	20,7	43 070	24,0	45 525	24,1	25 210	18,9
40 000 - 49 999 $	110 035	9,8	6 915	3,6	10 185	5,5	21 315	8,7	21 690	12,1	29 290	15,5	20 635	15,5
50 000 $ or over	105 010	9,3	4 555	2,4	6 025	3,3	12 290	5,0	14 950	8,3	26 370	14,0	40 815	30,7
Total Percentage	1 123 880 100 %	100	193 470 17,2 %	100	184 920 16,5 %	100	244 115 21,7 %	100	179 590 16,0 %	100	188 645 16,8 %	100	133 140 11,8 %	100

Source: Statistics Canada, Canada Census, 1981.

Table 44

Distribution of non-farm tenant households in Québec, by annual housing expenditures (1981) and income (1980)

Household income bracket	Number of house.	%	Under 1500$		1500-2999 $		3000-4499 $		Over 4500 $	
			Number	%	Number	%	Number	%	Number	%
Under 5 000 $	152 760	15,0	28 790	18,9	92 865	60,8	23 255	15,2	7 850	5,1
5 000- 9 999 $	199 490	19,7	25 495	12,8	124 190	62,2	39 045	19,6	10 760	5,4
10 000-14 999 $	167 135	16,5	12 235	7,3	101 565	60,8	42 105	25,2	11 230	6,7
15 000-19 999 $	152 265	15,0	7 795	5,1	85 830	56,4	47 085	30,9	11 555	7,6
20 000-24 999 $	123 195	12,1	5 690	4,6	61 775	50,1	44 725	36,3	11 005	9,0
25 000-29 999 $	83 320	8,2	2 990	3,6	37 880	45,5	33 285	39,9	9 165	11,0
30 000-39 999 $	85 105	8,4	2 960	3,5	32 485	38,2	36 075	42,4	13 585	15,9
40 000-49 999 $	29 205	2,9	1 265	4,3	8 925	30,6	12 115	41,5	6 900	23,6
50 000 $ or over	22 105	2,2	1 055	4,8	4 475	20,2	6 950	31,4	9 625	43,5
Total	1 014 570	100	88 275	100	549 995	100	284 640	100	91 660	100
Percentage	100 %		8,7 %		54,2 %		28,1 %		9,0 %	

Source: Statistics Canada, Canada Census, 1981.

Table 45
Distribution of private households, by number of rooms and number of persons per household, Québec, 1981

Number of persons per household	1 - 2 rooms		3 - 4 rooms		5 - 6 rooms		7 - 9 rooms		10 rooms or +		Total		Average number of rooms
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	
1	87 610	4,0	236 995	10,9	74 440	3,4	22 565	1,0	3 445	0,2	425 050	19,6	3,7
2	117 575	0,8	265 945	12,2	233 160	10,7	83 555	3,9	10 065	0,5	610 295	28,1	4,9
3	1 750	0,1	103 350	4,8	203 530	9,4	87 495	4,0	10 815	0,5	406 945	18,7	5,6
4	665	-	48 395	2,2	226 435	10,4	125 020	5,8	17 335	0,8	417 845	19,2	6,1
5	280	-	11 925	0,6	94 835	4,4	76 460	3,5	13 335	0,6	196 840	9,0	6,6
6	100	-	3 230	0,1	30 765	1,4	33 835	1,6	7 670	0,3	75 595	3,5	7,0
7	30	-	880	-	8 570	0,4	11 680	0,5	2 975	0,1	24 130	1,1	7,2
8	20	-	325	-	2 870	0,1	4 590	0,2	1 385	-	9 185	0,4	7,5
9	10	-	195	-	1 000	-	1 985	-	670	-	3 865	0,2	7,6
10 or over	20	-	210	-	740	-	1 485	-	645	-	3 105	0,1	7,7
Total households	108 055	5,0	671 460	30,9	876 340	40,3	448 680	20,7	68 330	3,1	2 172 860	100,0	5,3
Total persons	133 300		1 364 465		2 815 855		1 690 030		283 100		6 286 750		
Persons/household	1,2		2,0		3,2		3,8		4,1		2,9		

Source: Statistics Canada, Canada Census, 1981.

Table 46
Distribution of private households, by number of persons per room, tenure, income bracket and type of household Québec, 1981

Description	Under 1 person per room		1 person per room		Over 1 pers per room		Total	
	Number	%	Number	%	Number	%	Number	%
Tenure								
.owners	1 057 365	91,3	70 395	6,1	29 670	2,6	1 157 430	100
.tenants	874 980	86,2	110 260	10,8	30 190	3,0	1 015 430	100
Income bracket								
Under 5 000 $	178 480	87,1	22 290	10,9	4 155	2,0	204 925	100
5 000 - 9 999 $	267 345	88,5	27 700	9,2	6 985	2,3	302 025	100
10 000 - 14 999 $	252 730	88,2	25 960	9,0	7 940	2,8	286 630	100
15 000 - 19 999 $	255 115	87,3	27 795	9,5	9 430	3,2	292 345	100
20 000 - 24 999 $	252 515	88,3	24 845	8,7	8 530	3,0	285 890	100
25 000 - 29 999 $	206 960	89,5	17 900	7,8	6 290	2,7	231 150	100
30 000 - 34 999 $	159 185	90,4	12 005	6,8	4 980	2,8	176 165	100
35 000 - 39 999 $	111 055	90,8	7 785	6,4	3 420	2,8	122 260	100
40 000 - 49 999 $	128 760	91,0	8 420	6,0	4 295	3,0	141 475	100
50 000 $ or over	120 200	92,5	5 955	4,6	3 835	2,9	129 985	100
Type of household								
Family households								
.childless couples	463 900	97,3	11 140	2,3	1 975	0,4	477 020	100
.couples with children	800 880	83,1	115 355	12,0	47 005	4,9	963 245	100
.single-parent fam.	178 700	90,0	14 070	7,1	5 690	2,9	198 455	100
Non-family households								
.1 person	392 575	92,4	32,480	7,6	--	--	425 050	100
.2 persons or over	86 755	92,7	4 930	5,3	1 910	2,0	93 600	100
Multi-family households	9 530	61,5	2 685	17,3	3 280	21,2	15 490	100
All households	1 932 345	88,9	180 655	8,3	59 860	2,8	2 172 860	100

Source: Statistics Canada, Canada Census, 1981.

Table 47
Private dwellings equipped with plumbing installations, by tenure and census area, Québec, 1981

Description	No bathroom		Half bathroom		One or more bathrooms		T o t a l	
	Number	%	Number	%	Number	%	Number	%
Chicoutimi-Jonquière (CMA)	100	0,2	600	1,5	39 620	98,3	40 320	100,0
.owners	40	0,1	140	0,6	24 910	99,3	25 090	100,0
.tenants	60	0,4	455	3,0	14 710	96,6	15 230	100,0
Montréal (CMA)	4 475	0,4	13 775	1,4	1 008 655	98,2	1 026 895	100,0
.owners	620	0,1	1 525	0,4	425 610	99,5	427 755	100,0
.tenants	3 855	0,7	12 250	2,0	583 045	97,3	599 145	100,0
Hull (CMA)	255	0,5	530	0,9	55 120	98,6	55 905	100,0
.owners	125	0,4	180	0,6	31 940	99,0	32 250	100,0
.tenants	135	0,5	350	1,5	23 180	98,0	23 660	100,0
Québec (CMA)	1 820	1,0	3 015	1,5	190 625	97,5	195 460	100,0
.owners	355	0,3	655	0,7	97 750	99,0	98 760	100,0
.tenants	1 470	1,6	2 355	2,4	92 865	96,0	96 700	100,0
Trois-Rivières(CMA)	245	0,7	815	2,1	37 465	97,2	38 525	100,0
.owners	60	0,3	195	1,0	20 175	98,7	20 435	100,0
.tenants	185	1,0	615	3,4	17 285	95,6	18 090	100,0
Sherbrooke (CA)	205	0,5	430	1,0	40 715	98,5	41 355	100,0
.owners	35	0,2	90	0,4	19 620	99,4	19 740	100,0
.tenants	170	0,8	350	1,6	21 100	97,6	21 615	100,0
CSD[1] of over 5 000 inhab. not included in CMA	1 900	0,7	6 090	1,9	304 485	97,4	312 470	100,0
.owners	510	0,3	1 475	0,8	172 535	98,9	174 515	100,0
.tenants	1 395	1,1	4 615	3,3	131 950	95,6	137 960	100,0
CSD[1] of under 5 000 inhab. not included in CMA	5 230	1,1	12 735	2,8	443 960	96,1	461 925	100,0
.owners	3 825	1,1	8 150	2,3	346 915	96,6	358 890	100,0
.tenants	1 410	1,4	4 580	4,4	97 045	94,2	103 035	100,0
Whole of Québec	14 235	0,7	37 985	1,7	2 120 640	97,6	2 172 860	100,0
.owners	5 560	0,5	12 410	1,1	1 139 460	98,4	1 157 430	100,0
.tenants	8 675	0,9	25 575	2,5	981 180	96,6	1 015 430	100,0

1. Census subdivision
Source: Statistics Canada, Canada Census, 1981 (special compilation).

Table 48
Distribution of occupied private dwellings, by plumbing equipment, census area and tenure, Québec, 1971

Description	Dwellings with complete equipment (including bathtub or shower)		Dwellings with no bathtub or shower		Dwellings with no running water		Total dwellings	
	Number	%	Number	%	Number	%	Number	%
Chicoutimi-Jonquière (CMA)	28 380	95,7	1 275	4,3	45	0,2	29 655	100,0
. owners	15 580	97,5	395	2,5	25	0,2	15 980	100,0
. tenants	12 800	93,6	875	6,4	20	0,2	13 675	100,0
Montréal (CMA)	789 375	98,0	16 395	2,0	2,425	0,3	805 775	100,0
. owners	280 315	98,7	3 765	1,3	980	0,3	284 080	100,0
. tenants	509 065	97,6	12 630	2,4	1 445	0,3	521 690	100,0
Hull (CMA)	35 785	94,6	2 045	5,4	395	1,0	37 830	100,0
. owners	20 655	95,7	940	4,3	280	1,3	21 590	100,0
. tenants	15 130	93,2	1 105	6,8	120	0,7	16 235	100,0
Québec (CMA)	121 095	95,1	6 280	4,9	460	0,4	127 375	100,0
. owners	52 030	96,9	1 660	3,1	175	0,4	53 695	100,0
. tenants	69 065	93,7	4 615	6,3	285	0,4	73 680	100,0
Trois-Rivières (CMA)	25 060	96,2	985	3,8	50	0,2	26 045	100,0
. owners	11 610	97,5	300	2,5	25	0,2	11 910	100,0
. tenants	13 450	95,2	685	4,8	25	0,2	14 135	100,0
Other urban municipalities	299 655	94,0	19 110	6,0	1 500	0,5	318 760	100,0
. owners	156 665	93,9	10 215	6,1	1 035	0,6	166 880	100,0
. tenants	142 985	94,1	8 905	5,9	465	0,3	151 895	100,0
Rural municipalities	202 015	77,9	57 330	22,1	13 205	5,1	259 345	100,0
. owners	161 365	77,9	45 835	22,1	10 635	5,1	207 210	100,0
. tenants	40 650	78,0	11 490	22,0	2 570	4,9	52 140	100,0

Source: Statistics Canada, Canada Census, 1971.

Table 49
Distribution of occupied private dwellings, by main heating system and tenure, Québec, 1971 and 1981

Year	Central system		Electric system		Other system		Total	
	Number	%	Number	%	Number	%	Number	%
1971								
Owners	543 585	71,5	35 115	4,6	181 920	23,9	760 625	100
Tenants	421 185	49,9	91 580	10,9	330 295	39,2	843 060	100
Total	964 760	60,2	126 700	7,9	512 215	31,9	1 603 685	100
1981								
Owners	613 220	53,0	442 070	38,2	102 135	8,8	1 157 430	100
Tenants	414 775	40,9	433 695	42,7	166 955	16,4	1 015 430	100
Total	1 027 995	47,3	875 765	40,3	269 100	12,4	2 172 855	100

Source: Statistics Canada, Censuses of 1971 and 1981.

Table 50
Distribution of occupied private dwellings, by type of repairs and census area, Québec, 1981

Description	Regular maintenance		Minor repairs		Major repairs		Total	
	Number	%	Number	%	Number	%	Number	%
Montréal Metropolitan Area	786 260	76,6	169 260	16,5	71 375	6,9	1 026 895	100
Québec Metropolitan Area	155 310	79,5	28 760	14,7	11 395	5,8	195 460	100
Hull Metropolitan Area	44 050	78,8	8 690	15,5	3 170	5,7	55 910	100
Chicoutimi-Jonquière Metropolitan Area	32 180	79,8	5 245	13,0	2 890	7,2	40 320	100
Trois-Rivières Metropolitan Area	29 205	75,8	6 205	16,1	3 115	8,1	38 520	100
Sherbrooke Agglomeration	33 700	81,5	5 395	13,0	2 255	5,5	41,350	100
Rest of Québec	580 470	75,0	122 615	15,8	71 315	9,2	774 400	100
Total	1 661 175	76,5	346 170	15,9	165 515	7,6	2 172 860	100
.owners	883 820	76,4	189 775	16,4	83 835	7,2	1 157 430	100
.tenants	777 360	76,6	156 395	15,4	81 675	8,0	1 015 430	100

Source: Statistics Canada, Canada Census, 1981.

Table 51
Housing cost indexes (Montréal = 100) for various cities in Canada, September 1983

Description	Montréal	Ottawa	Toronto	Edmonton	Vancouver
Rental dwelling[1]					
1 bedroom (74 m^2)	100	107	101	109	115
2 bedroom (83 m^2)	100	108	103	110	115
Owner-occupied dwelling[2]					
Single-family (111 m^2) located in an average-income neighbourhood	100	162	172	136	191
Single-family, 2 storey (167 m^2) located in a slightly above-average income neighbourhood	100	138	152	123	163
Single-family, 2 storey (185 m^2) located in a high-income neighbourhood	100	139	152	131	164

1. Rent includes electricity, heating, refrigerator and stove, and the dwelling is located near the downtown area.
2. Housing costs include mortgage payments, property taxes, water, electricity, heating, insurance, maintenance and telephone.

Sources: Conference Board du Canada and ministère des Finances du Québec.

Table 52
Expenditure-to-income ratios of Québec households, by tenure and certain characteristics, 1983

	Owners	Tenants
All households	22,2	23,9
Household income		
Under 15 000 $	38,0	40,0
15 000 - 29 999 $	23,9	17,4
30 000 $ or over	13,4	11,1
Housing expenditure		
Under 3 000 $	14,5	22,5
3 000 - 4 499 $	19,1	23,9
4 500 $ or over	28,4	27,1
Age bracket of breadwinner		
Under 35	20,7	21,1
35 - 54	20,0	18,6
55 or over	29,0	34,1
Region of Québec		
CMA of Montréal	20,7	22,5
CMA of Québec	22,4	28,3
Rest of Québec	22,9	25,1

Source: MHPC, survey on expenditure-to-income ratios, 1983.

Table 53
Determination of expenditure-to-income ratio used to identify households with housing problems, by type of household

Size of household	Type of household	Minimum transfer income	Decent[1] income level	Gross average annual rent for a suitable dwelling of size adequate	Expenditure-to-income ratio	
		1981	1981	1981[2]	Accord. to minimum transfer income	Accord. to decent income level
		($)	($)	($)		
1 person						
	.single persons under 65	3 972	7 167	2 564	65 %	36 %
	.single persons 65	5 007	7 167	2 564	51	36
2 persons						
	.1 adult, 1 child	7 236	9 398	3 300	61	35
	.childless couple under 65	8 865	9 398	2 828	32	30
	.childless couple 65 or over	6 312	9 398	2 828	45	30
3 persons						
	.1 adult, 2 children	5 424	12 575	3 300	56	26
	.couple with 1 child	6 828	12 575	3 300	48	26
4 persons						
	.1 adult, 3 children	5 844	14 536	3 516	59	24
	.couple with 2 children	7 236	14 536	3 300	46	23
5 persons						
	.couple with 3 children	7 284	16 835	3 516	48	21

Source: MHPC.
1. Statistics Canada, Income Distribution by Size in Canada.
2. Statistics Canada, Canada Census, 1981.

Table 54
Distribution of households by tenure, Québec, 1951 to 1981

	Total	Owners	Tenants	Owners %	Tenants %
1951					
.family households	789 550	389 040	400 510	49,3	50,7
.non-family households	69 235	27 920	41 315	40,3	59,7
.Total	858 785	416 960	441 825	48,6	51,4
1961					
.family households	1 059 117	541 209	517 908	51,1	48,9
.non-family households	132 352	42 220	90 132	31,9	68,1
.Total	1 191 469	582 628	608 841	48,9	51,1
1971					
.family households	1 326 220	699 370	625 680	52,8	47,2
.non-family households	279 530	61 250	217 380	22,0	78,0
.Total	1 605 750	760 620	843 060	47,4	52,6
1981					
.family households	1 654 560	1 044 275	610 285	63,1	36,9
.non-family households	518 295	113 160	405 140	21,8	78,2
.Total	2 172 860	1 157 435	1 015 425	53,3	46,7

Sources: Statistics Canada, Canada Census, 1971 and Canada Census, 1981.

Table 55
Distribution, in percentage, of co-owners in buildings converted into undivided co-ownership, 1978 to 1983, by various characteristics, Montréal, 1983

Age	100,0[1]
20 - 29	13,3
30 - 39	39,5
40 - 49	19,4
50 - 59	8,7
65 or over	17,1
Education	100,0
Primary	7,6
Secondary	16,7
College	15,2
University	55,2
Income	100,0
Under 10 000 $	4,6
10 000 - 19 999 $	20,5
20 000 - 24 999 $	13,7
25 000 - 29 999 $	10,3
30 000 - 34 999 $	6,8
35 000 - 39 999 $	5,7
40 000 $ of over	24,0

Source: Survey carried out by the MHPC, summer 1983.

1 The total does not equal 100, because of missing data and refusals to answer.

Table 56
Population and non-family, one-person households, by age group, Québec, 1971 and 1981

	1 9 7 1			1 9 8 1		
	Population	One-person households		Population	One-person households	
	Number	Number	%	Number	Number	%
15 - 24	1 171 000	21 000	1,8	1 264 000	50 000	4,0
25 - 34	857 000	31 000	3,7	1 137 000	94 000	8,3
35 - 44	720 000	23 000	3,2	828 000	49 000	5,9
45 - 54	622 000	27 000	4,3	682 000	49 000	7,2
55 - 64	460 000	36 000	7,9	562 000	66 000	11,7
65 or over	413 000	55 000	13,2	569 000	117 000	20,6
Total	4 243 000	193 000	4,5	5 042 000	425 000	8,4

Source: Statistics Canada, Censuses of 1971 and 1981.

Table 57
Distribution of households in 1971 and 1981, by tenure and income bracket, Québec (in 1980 dollars)

	1 9 7 1			1 9 8 1		
	Households	Owners	Tenants	Households	Owners	Tenants
Under 5 000 $	162 995	58 025	104 970	204 925	52 100	152 820
	10,2 %	7,6 %	12,5 %	9,4 %	4,5 %	15,0 %
5 000- 9 999 $	232 845	97 330	134 875	302 025	102 405	199 620
	14,5 %	12,8 %	16,0 %	13,9 %	8,8 %	19,7 %
10 000-14 999 $	285 990	116 110	169 880	286 635	119 355	167 280
	17,8 %	15,3 %	20,1 %	13,2 %	10,3 %	16,5 %
15 000-19 999 $	293 730	129 240	164 490	292 345	139 950	152 395
	18,3 %	17,0 %	19,5 %	13,5 %	12,1 %	15,0 %
20 000-24 999 $	222 480	110 795	111 685	285 870	162 595	123 300
	13,9 %	14,6 %	13,2 %	13,2 %	14,0 %	12,1 %
25 000-29 999 $	144 130	77 540	66 590	231 150	147 735	83 410
	9,0 %	10,2 %	7,9 %	10,6 %	12,8 %	8,2 %
30 000-34 999 $	93 075	55 285	37 790	176 170	122 290	53 875
	5,8 %	7,3 %	4,5 %	8,1 %	10,6 %	5,3 %
35 000-39 999 $	53 760	34 515	19 245	122 260	90 920	31 335
	3,4 %	4,5 %	2,3 %	5,6 %	7,9 %	3,1 %
40 000-44 999 $	37 205	25 000	12 205	84 565	66 300	18 265
	2,3 %	3,3 %	1,5 %	3,9 %	5,7 %	1,8 %
Over 40 000 $	77 470	56 320	21 150	186 900	153 760	33 135
	4,8 %	7,4 %	2,5 %	8,6 %	13,3 %	3,3 %
Total	1 603 685	760 160	843 525	2 172 855	1 157 425	1 015 430
	100 %	100 %	100 %	100 %	100 %	100 %
Median income	16 950	19 205	15 385	20 007	25 117	14 635

Source: Statistics Canada, Censuses of 1971 and 1981 (special compilation).

Table 58
Estimate of number of households able to acquire new property without an expenditure-to-income ratio of over 30%, by price level and tenure, 1971, 1981 and 1983, for the whole of Québec

	Price of a new house	10 000$	15 000$	20 000$	25 000$	30 000$	35 000$	40 000$	45 000$	50 000$	55 000$	60 000$	65 000$
TENANTS	1971 No.	522 170	398 365	236 065	138 450	102 080	69 225						
	1971 %	62	47	28	16	12	8						
	1981 No.	661 625	555 900	455 450	359 140	279 180	207 325	155 280	114 620	81 725	61 920	46 135	34 590
	1981 %	65	55	45	35	27	20	15	11	8	6	4,5	3
	1983 No.	770 525	678 020	599 530	509 335	445 885	373 035	320 855	261 540	208 830	167 420	136 097	108 640
	1983 %	73	64	57	48	42	35	30	25	20	16	13	10
OWNERS	1971 No.	566 260	467 980	365 000	273 890	215 110	153 965						
	1971 %	74	61	48	36	28	20						
	1981 No.	1 014 355	947 500	879 045	799 750	716 250	622 600	536 065	450 970	378 460	309 510	257 865	209 440
	1981 %	88	82	76	69	62	54	46	39	33	27	22	18
	1983 No.	1 073 620	1 028 665	979 040	927 985	871 605	809 210	746 575	676 810	605 800	541 585	476 930	419 995
	1983 %	91	87	83	79	74	68	63	57	51	46	40	36

Source: 1 Canada Census, 1971, Micro-film - Households by income bracket, average household income and tenure.
2 Canada Census, 1981, Special MHPC order - Households by income bracket and tenure.
3 Survey of household incomes in Canada.
Hypotheses:
1971 - Owners: cash payment 20%, tenants: cash payment 10%, mortgage: 9.5% over 25 years, taxes: 3% of the value of the dwelling, heating and maintenance: $42 per month.
1981 - Owners: cash payment 20%, tenants: cash payment 10%, mortgage: 18.0% over 25 years, taxes: 3% of the value of the dwelling, heating and maintenance: $99 per month.
1983 - Owners: cash payment 20%, tenants: cash payment 10%, mortgage: 13.0% over 25 years, taxes: 3% of the value of the dwelling, heating and maintenance: $99 per month.

Table 59
Estimate of number of households able to afford new rental housing, by maximum expenditure-to-income ratio, price level and tenure in 1971, 1981 and 1983, for the whole of Québec

		Expenditure-to-income ratio of 25%						Expenditure-to-income ratio of 30%					
Price of new housing		10 000$	11 000$	13 000$	15 500$	25 000$	30 000$	10 000$	11 000$	13 000$	15 500$	25 000$	30 000$
TENANTS	1971 No.	419 480	396 255	343 395	280 120			508 315	486 360	436 385	382 705		
	1971 %	49	47	41	33			60	58	52	45		
	1981 No.					218 800	160 180					321 275	249 095
	1981 %					22	16					32	25
	1983 No.					410 870	342 130					508 160	446 175
	1983 %					39	32					48	42
OWNERS	1971 No.	478 275	459 215	415 835	363 910			540 220	525 210	492 135	448 095		
	1971 %	60	55	48	63			71	69	65	59		
	1981 No.					578 850	475 020					714 530	619 345
	1981 %					50	41					62	54
	1983 No.					802 970	729 880					892 050	835 030
	1983 %					68	62					76	71

Source: MHPC, from Statistics Canada data.

Table 60
Households able to have access to new housing without an expenditure-to-income ratio of over 30% in 1971, 1981, 1983, in numbers and proportion of total households

	Average cost of dwelling	Average monthly cost	Average annual cost	Income required	Tenant households		Owner households		Total households	
					Number	Proportion of total number of tenants	Number	Proportion of total number of owners	Number	Proportion of total households
Owners able to acquire new property	$	$	$	$						
1971	18 000	211	2 535	8 450			406 110	53 %		
1981	49 000	792	9 500	31 670			392 425	34 %		
1983	56 000	727	8 730	29 095			528 700	45 %		
Tenants able to acquire new property										
1971	18 000	225	2 700	9 000	294 825	35 %				
1981	49 000	863	10 360	34 535	87 745	9 %				
1983	56 000	790	9 480	31 610	159 370	15 %				
Households able to afford new rental housing										
1971	11 000	155	1 870	6 235	486 235	58 %	525 125	69 %	1 011 360	63 %
1981	25 000	522	6 270	20 895	321 250	32 %	714 495	62 %	1 035 745	48 %
1983	30 000	467	5 600	18 680	446 045	42 %	835 175	71 %	1 281 220	57 %

Source: MHPC, from Statistics Canada data.

Table 61
Distribution of the population 5 years of age and over, by mobility, 1976 to 1981, and census area, 1981

	Persons who have not moved		Persons who have moved		Total population 5 and over	
	Number	%	Number	%	Number	%
CMA of Chicoutimi	75 150	61,5	46 990	38,5	122 130	100
CMA of Montréal	1 299 885	49,7	1 314 080	50,3	2 613 960	100
Island of Montréal	795 360	48,5	845 180	51,5	1 640 535	100
Rest of the CMA	504 525	51,8	468 900	48,2	973 425	100
CMA of Hull	84 160	53,9	71 840	46,1	156 000	100
CMA of Québec	292 680	55,6	234 070	44,4	526 745	100
CMA of Sherbrooke	52 275	48,8	54 740	51,2	107 010	100
CMA of Trois-Rivières	57 370	56,0	45 055	44,0	102 430	100
Other urban areas	568 180	59,0	394 410	41,0	962 610	100
Rural areas	824 665	63,4	476 700	36,6	1 301 365	100
Québec	3 254 365	55,2	2 637 885	44,8	5 892 250	100

Source: Statistics Canada, Canada Census, 1981.

Table 62
Mobility of active households[1] between January and August 1983, by administrative region

Administrative region	Total active households	Total households that have changed addresses	Total stable households[2]	Total households that have changed regions	Households that have changed addresses/ active households (%)	Stable households/ active households (%)
01 Bas St-Laurent - Gaspé	31 821	3 806	2 915	891	12,0	9,2
02 Saguenay - Lac St-Jean	43 186	6 059	5 074	985	14,0	11,7
03 Québec	132 641	17 156	14 243	2 913	12,9	10,7
04 Trois-Rivières	56 204	7 873	6 391	1 482	14,0	11,4
05 Estrie	31 087	4 553	3 717	836	14,6	12,0
06 Montréal	455 141	67 454	60 223	7 231	14,8	13,2
07 Outaouais	38 684	4 678	3 846	832	12,1	9,9
08 Abitibi-Témiscamingue	22 806	3 465	2 886	579	15,2	12,6
09 Côte-Nord	17 654	2 215	1 774	441	12,5	10,0
10 Nouveau-Québec	1 449	98	43	55	6,8	3,0
11 Others	972	614	12	602	63,2	1,2
Whole of Québec	831 645	117 971	101 124	16 847	14,2	12,2

1 Active household: one that has at least one child whose file is active (rec a family allowance every month during the period concerned).2 Stable house active household that has moved in the same administrative region.

Source: Régie des rentes du Québec, Family allowance file, MHPC (September 19

Table 63
Distribution of private non-farm households, by tenure, length of occupancy and median length of occupancy Québec, 1981

Description	Owners		Tenants		Total	
	Number	%	Number	%	Number	%
Less than 1 year	79 220	7,1	261 885	25,8	341 100	16,0
1 to 2 years	134 775	12,0	272 385	26,9	407 160	19,0
3 to 5 years	237 265	21,0	216 330	21,3	453 595	21,2
6 to 10 years	218 620	19,5	126 765	12,5	345 390	16,2
Over 10 years	453 995	40,4	137 205	13,5	591 200	27,6
Total	1 123 880	100,0	1 014 570	100,0	2 138 450	100,0
Median	6,5 yrs[1]		3,3 yrs[1]		5 yrs	

1 The median was calculated for owners and tenants from 1981 census data.
Source: Statistics Canada, Canada Census, 1981.

Table 64
Net internal migration, 1976 to 1981, by region, in numbers and proportion of the population, 1976

Region[1]	Population 1976	Net internal migration	
		Number	Proportion of population
Bas St-Laurent-Gaspésie	231 980	-5 965	-2,6
Saguenay - Lac St-Jean	268 980	-7 990	-3,0
Québec	1 017 180	-12 870	-1,3
Trois-Rivières	406 780	-2 215	-0,5
Cantons-de-l'Est	206 740	-4 060	-2,0
Montréal	3 480 050	-87 705	-2,5
Outaouais	274 600	-7 110	-2,6
Nord-Ouest	141 100	-3 840	-2,7
Côté-Nord	115 740	-7 595	-6,6
Nouveau-Québec	38 980	-3 125	-8,0
Total	6 182 130	-142 475	-2,3

1 Note: The regions used here do not correspond exactly to Québec's administrative regions. They are amalgamations of census divisions.
Source: Statistics Canada, censuses of 1976 and 1981.

Table 65
Housing starts, 1976 to 1983,
for the CMA of Montréal and the city of Montréal

Year	CMA of Montréal	City of Montréal	
		Number	Proportion of the CMA
1976	37 531	4 507	12,0%
1977	27 193	3 444	12,7%
1978	18 300	2 528	13,8%
1979	16 188	1 803	11,1%
1980	12 433	2 167	17,4%
1981	14 643	2 952	20,2%
1982	11 497	3 373	29,3%
1983	19 682	6 467	32,9%

Source: CMHC, Canadian Housing Statistics, 1976 to 1983.

Table 66
Net migratory balance between the city of Montréal and its immediate suburbs (CMA), 1971-1976 and 1976-1981

Description	1971-1976			1976-1981		
	A. To Montréal	B. From Montréal	Net mig. (A-B)	A. To Montréal	B. From Montréal	Net mig. (A-B)
Other municipalities on the island of Montréal	17 795	54 090	-36 295	22 935	30 840	-7 905
Ville de Laval	6 160	21 195	-15 035	7 075	12 800	-5 725
Northern part of the CMA (22 municipalities)	4 300	17 070	-12 770	5 870	11 760	-5 890
Southern part of the CMA (49 municipalities)	7 500	39 600	-32 100	11 760	22 750	-10 990
Total	35 755	131 955	-96 200	47 640	78 150	-30 510

Source: OPDQ and Statistics Canada (special compilation from censuses of 1981 and 1976).

Table 67
Housing assistance programs administered by the CMHC in Québec (expired)

	Conditions	Performance	Cost
Public housing assistance Sec. 43 of the NHA 1964 - 1978 CMHC (Aid for occupancy of a dwelling)	. Direct loan at preferential rate, covering 95% of the cost of a project . Financial participation making up 50% of the operating deficit	. 32 820 dwellings built under this program in Québec, 21.8% of those in Canada . Beneficiaries in 1981, by source of income: - old age security 56.2% - other retirement pension 5.1% - social aid 26.5% - employment income 11.2%	. $603.2 million in the form of loans in Québec, 24.2% of the Canadian total . In 1982, these dwellings cost the CHMC $49.1 million
Aid to non-profit housing corporations Sec. 15.1 of the NHA 1964 - 1978 (Aid for occupancy of a dwelling)	. Direct loan at preferential rate, covering 100% of cost of project - 35 years renewable every 5 years - fixed rate of 8% . Subsidy of up to 10% of the investment Possibility of a start-up fund of about $10 000 per project	. 8 779 dwellings under this section in Québec, 20.3% of those in the whole of Canada . 20 719 places in hostels, 37.9% of the Canadian total	Loans of about $323.3 million in Québec, 27.9% of the loans made under this section
Aid to cooperatives Sec. 34.18 of the NHA 1973 - 1978 CMHC (Aid for occupancy of a dwelling)	. Conditions are the same as in the case of aid to non-profit housing corporations	. 1 317 cooperative dwellings (269 in new buildings), i.e. 17.1% of of the Canadian total . Beneficiaries (in 1982): - 85% were famililes - 56% had an income under $15 000	. $17.6 million in loans, 9% of the Canadian budget for this program
Aid to entrepreneurs Sec. 15 of the NHA 1946 - 1978 CMHC (Aid for rental housing)	. CMHC loan not exceeding 95% of the loan value of the project; mortgage rate approved by CMHC . Loan to be used for construction, purchase, and improvement of a low-rental housing complex . CMHC obliged to see that rents are fair and reasonable, in view of the probable family income of tenants	. Between 1946 and 1978, 28 208 dwellings financed in Québec, 28% of the Canadian total	. Between 1975 and 1977, $49.4 million in Québec, that is 20% of the Canadian total . In 1978, $4.5 million in loans

Table 67 (cont.)
Housing assistance programs administered by the CMHC in Québec (expired)

	Conditions	Performance	Cost
Assisted Rental Program Sec. 14.1 of the NHA 1976 - 1978 CMHC (Aid for rental housing)	. No interest loans for ten years, decreasing by 10% a year . Aid of up to $1 200 per dwelling to make up the difference between economic rent and market rent	. Between 1976 and 1978, 24 849 dwellings built in Québec	. Between 1976 and 1978, $131 million, 27% of the total in Canada . Average assistance of $5 272 per dwelling
Canadian Rental Supply Plan 1982 CMHC (Aid for rental housing)	. No interest loans for ten years, for an amount varying between $7 500 and $15 000, depending on the unemployment rate in each region	. 1 672 dwellings built in Québec, 8% of the Canadian total	. $12.2 million in no-interest loans, 5.4% of the funds for Canada . Average loan of $7 297 per dwelling
Neighbourhood Improvement Program Sec. 27.5 of the NHA 1973 - 1978 CMHC - SHQ (Habitat quality improvement)	. Loans offered to municipalities with forgiveness of 25% of the loan . Loans for clearing and improving land for various purposes, and for upgrading community amenities and services	. 79 NIP operations in 65 municipalities . 25 SCP (Site Clearance Program) operations in 8 municipalities	. A total of $96.4 million in CMHC loans, 70% of the federal funds . $27.2 million paid by the Québec government
Municipal Infrastructure Program Secs. 51 and 52 of the NHA 1961 - 1978 CMHC (Habitat quality improvement)	. Loans offered to municipalities for construction of storm sewers, water supply systems and sewage treatment . Forgiveness of up to 25% of the loans to municipalities	. 746 loans for sewage treatment, 18.4% of the Canadian total . 122 loans for storm sewer systems, 70.0% of the projects in Canada . 72 loans for water supply systems, 22.5% of the projects in Canada	. $610 million in loan form between 1961 and 1978, 31% of of the total allocated in Canada . $58 million forgiven, 18.7% of the Canadian total

Table 67 (cont.)
Housing assistance programs administered by the CMHC in Québec (expired)

	Conditions	Performance	Cost
Community Services Contribution Program (Consolidation of previous two programs) 1978 - 1980 CMHC (Habitat quality improvement)	• Assistance in form of subsidies, not loans • Annual program package distributed in terms of urban population and financial capacity of municipalities		• $135.2 million granted to Québec municipalities
Canadian Home Renovation Program 1982 CMHC (Habitat quality improvement)	• Subsidy equivalent to 30% of the cost of renovation up to a maximum of $3 000 • Cost of manpower to represent 33% of cost of work • Family income cut-off point for grant: $40 000	• 33 275 applications approved in Québec, 26% of the Canadian total • Average household income of beneficiaries: $23 607	• $56.8 million in direct grants, 26.9% of funds in Canada • Average grant of $1 760 and average cost of renovation, $6 908
Direct loans to home buyers Secs. 58 and 59 of the NHA 1970 - 1977 CMHC (Acquisition of property)	• Direct loans at slightly preferential rates when not available on the private market	• Between 1970 and 1977, 10 564 loans contributing to the construction of 10 769 dwellings, 45% of the Canadian total	• $135 million in loans
Canadian Home Ownership Stimulation Program 1982 CMHC (Acquisition of property)	• Subsidy of $3 000 paid on purchase • Maximum purchase price: $100 000 • Program offered for 6 months, for new or used housing, then restricted to new	• 60 346 beneficiaires • Beneficiaries: - Couples with children 66% - Former owners 35% - Under 35 60%	• $181.1 million, 23% of the Canadian total

Table 67 (cont.)
Housing assistance programs administered by the CMHC in Québec (expired)

	Conditions	Performance	Cost
Canadian Mortgage Renewal Plan 1981 - 1982 CMHC (Aid for occupancy of a dwelling)	. Mortgages falling due between September 1, 1981 and November 12, 1982 . Owner-occupant of a dwelling or a building with 3 dwellings or less . Annual occupancy cost over 30% of family income . Deferred interest or subsidy to reduce mortgage payments to the higher of the following: the level in effect before renewal or 30% of family income, up to $3 000	. 5 222 dwellings, 23% of the Canadian total	. Less than $15 million
Medium-Density Aid Program 1981 - 1982 CMHC - Provinces (Habitat quality improvement)	. Payment of a subsidy of $1 000 for each dwelling built according to certain density criteria, 75% by the CMHC	. 118 communities for a total of 9 038 dwellings	. The CMHC paid out $6.8 million under this program in Québec
Assisted Home-Ownership Program Secs. 34.15 and 34.16 1973 - 1979 (Acquisition of property)	. 35-year loan for up to 95% of the loan value of a house . Subsidy varying in terms of income, up to $1 200 a year for 5 years - reduction of interest rate to 8% - reduction of monthly payments if expenditure-to-income ratio is higher than 25% . Maximum income: $16 000 . Maximum purchase price: - 1974: $27 000 - 1975: $31 500 - 1976: $33 000	. 38 136 dwellings, 33% of the Canadian total	. $58.8 million in grants
Graduated payment mortgages 1978 - 1980 CMHC (Acquisition of property)	. Reduction of mortgage payments required during first five years . Monthly payments increasing by 5% per year for 10 years . Loan equivalent to 95% of the loan value	. 3 970 buildings totalling 5 424 dwellings, 16% of the Canadian total . 821 loans granted for the purchase of 889 used dwellings, 22% of the Canadian total	. $195.5 million in loans, 16% of the loans granted in Canada

Table 68
Housing assistance programs administered by the CMHC in Québec (current in 1984)

	Conditions	Performance	Cost
Public housing assistance Sec. 56.1 of the NHA Since 1979 CMHC (Aid for occupancy of a dwelling)	. Loan guarantee . Subsidy reducing interest rate to 2% at start . Contribution equivalent to 50% of operating deficit	. 17 490 public housing units . Beneficiaries according to age of of head in 1981 (continuation of description begun in section 43): - under 25 3.7% - 25 to 44 15.5% - 45 to 64 25.1% - over 65 55.6%	. In 1983, about $74.0 million paid by CMHC to take up the operating deficit of all LRH in Québec . Shared-cost program with Québe
Aid to non-profit and cooperative housing Sec. 56.1 of the NHA CMHC (Aid for occupancy of a dwelling)	. Loan guarantee . Subsidy reducing interest rate to 2% at start . In certain cases, start-up funds up to $75 000	. Between 1979 and 1982, 20 524 housing units . Beneficiaries according to family status in 1981 (continuation of description begun in section 34.18) - single persons 18.7% - couples 49.1% - single-parent families 21.8% - households with more than two persons 10.4%	. Between 1979 and 1983, $63.3 million in interest rate reduction
Rent supplement Since 1978 CMHC - SHQ (Aid for occupancy of a dwelling)	. Allowance corresponding to 90% of the difference between the monthly rent charged in certain buildings and the contribution required under Québec's rent scale . Program applicable to tenants of cooperatives and NPC, handicapped persons and certain tenants living in buildings sold by the CMHC	. In May 1984, 3 868 households benefited from the program . Beneficiaries in 1982: - Elderly persons 52% - Low-income households 34% - Handicapped persons 14%	. Between 1979 and 1983, about $11.2 million . Shared-cost program with Québec
Residential Rehabilitation Assistance Program Sec. 34.1 of the NHA Since 1974 CMHC (Habitat quality improvement)	. Four different types - Urban RRAP for owner-lessors - Urban RRAP for owner-occupants - Rural RRAP - RRAP for cooperatives/NPC . Loans up to $13 000 per dwelling, forgivable portions varying from one program to another and time to time	. 90 593 dwellings renovated . Beneficiaries in 1982: - Average age of owner: 53 for urban RRAP and 50 for rural RRAP - Average income: $11 759 for urban RRAP and $9 249 for for rural RRAP	. $361.3 million in portions of loans forgiven - In 1978: Urban RRAP 45.8% of funds Rural RRAP 54.2% of funds - In 1983: Urban RRAP 33.6% of funds Rural RRAP 66.4% of funds

Table 69
Housing assistance programs offered by the Québec government (expired)

	Conditions	Performance	Cost
Restoration program Québec/municipalities SHQ 1973 - 1978 (Habitat quality improvement)	. Subsidy of up to 25% of the real cost of improvement work . Eligible buildings: those in a NIP or in certain designated zones	. 29 600 dwellings restored	. $45.6 million in subsidies
Family housing 1948 - 1974 SHQ (Acquisition of property)	. Refund of an amount equivalent to a 3% mortgage interest rate reduction on eligible amount ($7 200) . Eligible beneficiaries: first owners of single-family dwellings or duplexes . Maximum family income indexed from year to year . Maximum purchase price indexed from year to year	. 110 000 households	. Between 1967 and 1983, $93.0 million

Table 70
Housing assistance programs offered by the Québec government (current in 1984)

	Conditions	Performance	Cost
Low-rental housing program Since 1968 SHQ (Aid for occupancy of a dwelling)	• Variable from one period to another – Between 1968 and 1974, CMHC loans to the SHQ for construction of LRH; the SHQ studied requests from municipalities and distributed funds among them – Between 1974 and 1979, CMHC loans to the SHQ; LRH projects managed and administrative standards set by the SHQ – Since 1979, funds from the SHQ; LRH projects managed and administrative standards set by the SHQ	• In May 1984, a stock of 46 188 low-rental housing units completed or planned in Québec • Beneficiaries according to family status and average income in 1981 (continuation of beneficiaries under sections 43 and 56.1 of the NHA) – single persons 53% – single-parent families 12% – non-family households 10% – childless couples 15% – couples with children 9% Average monthly income in 1982: $686	• In 1983, operating deficit for all LRH of $147.8 million, representing an average deficit of $270 a month per dwelling • Shared-cost program with federal agency
Northern housing program Since 1980 SHQ (Aid for occupancy of a dwelling)	• Takeover by Québec of 800 dwellings built in Québec since 1958 by the Canadian Department of Indian and Northern Affairs • Construction and renovation of housing • Fund covering 100% of the recognized operating deficit	• Since 1980 170 dwellings built 203 dwellings renovated	• Between 1980 and 1983, $18.1 million in subsidies • Average price for construction: $125 330 • Average price for renovation: $112 042
LOGIPOP Since 1977 SHQ (Aid for occupancy of a dwelling)	• Start-up fund of $500 per project • Capital subsidy varying from $1 000 to $3 000 per dwelling • Annual subsidy of $50 000 to each CRO, plus a productivity bonus varying between $200 and $300 per dwelling completed • Bonus of $4 000 in certain cases	• At the beginning of May 1984: 9 282 dwellings	• Between 1977 and 1983, $28.8 million in subsidies

Table 70 (cont.)
Housing assistance programs offered by the Québec government (current in 1984)

	Conditions	Performance	Cost
Rent supplement Since 1978 CMHC - SHQ (Aid for occupancy of a dwelling)	. Allowance corresponding to 90% of the difference between the monthly rent charged in certain buildings and the contribution required under Québec's rent scale . Allowance paid to tenants of cooperatives and NPC, handicapped persons and certain tenants living in buildings sold by the CMHC	. In May 1984, 3 868 households were beneficiaries . Beneficiaries: - elderly persons 52% - low-income households 34% - handicapped persons 14%	. Between 1979 and 1983, about $22.4 million paid by the two levels of government
LOGIRENTE Since 1980 (Aid for occupancy of a dwelling)	. Subsidy paid directly to elderly persons when their expenditure-to-income ratio is over 30%, corresponding to 75% of the excess . Yearly indexing of main parameter, the rent ceiling	. On December 31, 1983, 19 060 beneficiaries . In 1981, 6.1% of households were over 65 . Beneficiaries in 1982: 95% of one-person households - 94% of tenants	. Since 1980, $26.5 million paid by Québec
Property tax credit Since 1979 Québec (Aid for occupancy of a dwelling)	. Refund equivalent to 40% of property taxes ($400 maximum) less 2% of the household's basic income	. In 1981, nearly 700 000 beneficiaries . Beneficiaries: - single persons 37% - childless couples 27% - single-parent families 10% - families with children 27% . Average annual income: $11 160	. Between 1979 and 1983 1979: $67.9 million 1980: $82.3 million 1981: $95.2 million 1982: $120.0 million 1983: about $145 million . In five years, total cost of over $500 million
LOGINOVE Since 1982 SHQ (Habitat quality improvement)	. Subsidy calculated in terms of income for owner-occupants, and rent for owner-lessors . Subsidy of up to 75% of cost of allowable work ($15 500 maximum) in the first case and 90% in the second . Agreement to be signed by owner and tenant respecting rent increases after restoration	. On June 1, 1984, authorizations had been issued for 9 471 dwellings	. Expenditures of $63 million anticipated by the SHQ to help renovate these dwellings, an average of $6 650 per dwelling

Table 70 (cont.)
Housing assistance programs offered by the Québec government (current in 1984)

	Conditions	Performance	Cost
ÉQUERRE Since March 1984 SHQ (Habitat quality improvement)	. Subsidy for certain repairs, development work, or addition of a dwelling . Subsidy corresponding to 30% of the allowable work not exceeding $9 000, less $1 000 per building, with a maximum per dwelling of $2 700 . Subsidy to owner occupying a dwelling in a building with five dwellings or fewer put up before January 1, 1970 . Maximum value, excluding the price of land: - one dwelling $ 60 000 - two dwellings $ 70 000 - three dwellings $ 80 000 - four dwellings $ 90 000 - five dwellings $100 000	. By June 27, 1984, nearly 15 000 applications for subsidies received . At the beginning of July (after four months in effect): - 16 144 applications received - covering 22 777 dwellings - 10 750 renovated or in the process of renovation	. Budget package of $34 million . At the beginning of July, $11.3 million in commitments
Assistance for water supply systems Since 1978 Ministère des Affaires municipales (Habitat quality improvement)	. Financial aid to municipalities with under 5 000 inhabitants of up to 75% of the cost of work required to assure water supply . Funds applicable to a sector already built, respecting certain density criteria	. 539 municipalities benefiting	. Work of about $384 million, $301 million in subsidies on the part of Québec
Water purification program Since 1978 Ministère de l'Environnement (Habitat quality improvement)	. Subsidies for water purification work in the form of debt service repayment equivalent to: - 100% of the cost in the case of preparatory studies analysing infiltration-inflow - 90% of the cost in the case of construction of wastewater treatment systems, and varying between 66% and 90% in the case of reconstruction of system	. 375 municipalities served by 58 drainage basins	. In 1984, agreements with municipalities representing $2.08 billion in subsidies, $810 million already distributed . Average subsidy: 74% of the cost of the work

Table 70 (cont.)
Housing assistance programs offered by the Québec government (current in 1984)

	Conditions	Performance	Cost
Rent supplement Since 1978 CMHC - SHQ (Aid for occupancy of a dwelling)	. Allowance corresponding to 90% of the difference between the monthly rent charged in certain buildings and the contribution required under Québec's rent scale . Allowance paid to tenants of cooperatives and NPC, handicapped persons and certain tenants living in buildings sold by the CMHC	. In May 1984, 3 868 households were beneficiaries . Beneficiaries: - elderly persons 52% - low-income households 34% - handicapped persons 14%	. Between 1979 and 1983, about $22.4 million paid by the two levels of government
LOGIRENTE Since 1980 (Aid for occupancy of a dwelling)	. Subsidy paid directly to elderly persons when their expenditure-to-income ratio is over 30%, corresponding to 75% of the excess . Yearly indexing of main parameter, the rent ceiling	. On December 31, 1983, 19 060 beneficiaries . In 1981, 6.1% of households were over 65 . Beneficiaries in 1982: 95% of one-person households - 94% of tenants	. Since 1980, $26.5 million paid by Québec
Property tax credit Since 1979 Québec (Aid for occupancy of a dwelling)	. Refund equivalent to 40% of property taxes ($400 maximum) less 2% of the household's basic income	. In 1981, nearly 700 000 beneficiaries . Beneficiaries: - single persons 37% - childless couples 27% - single-parent families 10% - families with children 27% . Average annual income: $11 160	. Between 1979 and 1983 1979: $67.9 million 1980: $82.3 million 1981: $95.2 million 1982: $120.0 million 1983: about $145 million . In five years, total cost of over $500 million
LOGINOVE Since 1982 SHQ (Habitat quality improvement)	. Subsidy calculated in terms of income for owner-occupants, and rent for owner-lessors . Subsidy of up to 75% of cost of allowable work ($15 500 maximum) in the first case and 90% in the second . Agreement to be signed by owner and tenant respecting rent increases after restoration	. On June 1, 1984, authorizations had been issued for 9 471 dwellings	. Expenditures of $63 million anticipated by the SHQ to help renovate these dwellings, an average of $6 650 per dwelling

Table 70 (cont.)
Housing assistance programs offered by the Québec government (current in 1984)

	Conditions	Performance	Cost
CORVÉE-HABITATION 1982 - 1984 Corporation CORVÉE-HABITATION (Construction workers and employers, Québec government) (Acquisition of property)	. Preferential interest rate fixed for a three-year period . Maximum purchase price of $60 000 including or excluding the price of land, depending on program phase . Conditional capital subsidy in third and fourth phases, varying between $1 000 and $3 000	. By the end of June 1984, 26 779 applications for subsidies . Beneficiaries: - young couples - former tenants (85%) - age between 25 and 34 (66%) - income under $35 000 (55%) - majority of households with two incomes	. At the end of June, financial commitments of about $117.3 million
Home Ownership Assistance Program Since 1981 SHQ (Acquisition of property)	. Five-year subsidy consisting of interest reduction on part of the mortgage, calculated on a decreasing rate recognized by the SHQ . Amount varying according to the type of purchase (new, used or mobile home) . Required to have a child under 12 . Capital subsidy when another child is born in the next five years	. By July 4, 1984, over 41 000 applications received: - 27% for new homes - 72% for used homes - 1% for mobile homes . Beneficiaries: - Families whose head is between 25 and 35 (92%) - Family income between $20 000 and $35 000 (74%) - Two incomes per household (50%)	. $39.2 million during the first two years of implementation . 1 200 capital subsidies totalling $3 million

DESCRIPTION OF HOUSING AID PROGRAMS

CORVÉE-HABITATION	. Joint program to promote residential construction recovery in Québec
Administration	. CORVÉE-HABITATION board of directors, consisting of representatives of the main socio-economic partners. The Société d'habitation du Québec is agent for CORVÉE-HABITATION in management of the program.
Objectives	. To enable home buyers to benefit from interest rates lower than those on the market and protect themselves against their instability; . To stimulate the construction industry.
Eligible dwellings	. A single-family home considered to be the principal residence of the applicant; . A multi-family building not over three storeys high, or four if the basement is habitable; . Co-owned buildings not over seven storeys high according to the definition in the Building Code; . Buildings, reconstructed for residential purposes, not over seven storeys high according to the definition in the Building Code; . Cooperative housing units and new or renovated dwellings belonging to a non-profit organization; . Non-residential buildings: schools, warehouses, etc., coverted into residential units; . Rooming houses with at least four rooms offered for permanent rental; . An addition forming a dwelling worth at least $10 000.
Conditions	. The price of each dwelling must not exceed $60 000, not including the land; . The amount of the mortgage that can be subsidized is limited to $55 000; . The dwellings must be: - Built by workers and employers respecting the conditions for participating in CORVÉE-HABITATION; - Financed by participating financial institutions; - Covered by an approved certification program, guaranteeing new houses, of the Fédération de la construction du Québec or the Association provinciale des constructeurs d'habitation du Québec, except in the case of a multi-family building not occupied by the owner or a reconstructed building.

Main advantages	. Beneficiaries of the program may choose between two kinds of advantages: 1. Guaranteed interest rate of 9½% for three years and possibility of benefiting from market rate if it is lower, and subsidy of $3 000 per dwelling for cooperatives and NPO; 2. Capital subsidy (depending on program phase), of up to $3 000 with minimal subsidy from the municipality. Or - Special deduction in computing income for tax purposes, equal to the difference between $10 000 and RHOSP contributions previously deducted, for any taxpayer who wishes to purchase a new dwelling as owner-occupant; - Subsidies or other specific advantages varying between $500 and $3 000 granted by participating municipalities; - Additional subsidy of $1 000 for construction workers who contribute to the CORVÉE-HABITATION fund, and possibility of building a principal residence for themselves.
Financing*	. Construction workers: 20%; . Construction employers: 20%; . Québec government: 60%.

* Not including:

1. Interest rebate varying between ¼% and ½% granted by participating financial institutions;
2. Subsidies paid directly by participating municipalities.

ÉQUERRE . Québec program to encourage residential restoration

Administration	. Société d'habitation du Québec.
Objectives:	. To encourage owners to repair major components of their dwellings; . To improve housing stock.
Beneficiaries:	. Owner-occupants living in a dwelling built before January 1, 1970.

Eligible dwellings	. Those whose standardized municipal assessment, excluding land, has been set at: - $60 000 for a single-family house, including a condominium; - $70 000 for a duplex; - $80 000 for a triplex; - $90 000 for a quadruplex; - $100 000 for a quintuplex.
Allowable work	. Work to repair major components of a dwelling, in accordance with a list defined by the Société d'habitation du Québec; . Work needed to adapt a dwelling for elderly or handicapped persons; . Work connected with addition of a dwelling to an existing residential building; . Work required by a municipality, the ministère de l'Environnement or the ministère de l'Habitation et de la Protection du consommateur.
Amount of subsidy	. Tax-exempt subsidy corresponding, after deducting the first $1 000 per building, to 30% of the cost of allowable work up to $9 000 per dwelling. The maximum subsidy is $2 700 per dwelling. It also covers the cost of permits and professional fees.
Financing	. Québec government.

LOGELM	. Joint low-rental housing program
Administration	. The Société d'habitation du Québec has been owner of LRH built since 1974 and is responsible for development, that is, choice of land, plans and specifications, construction and delivery. Management is by the municipal housing bureaus.
Objective	. To provide low-rental housing for low-income families, and retired or handicapped persons who face acute housing difficulties: rent too high in relation to income, or dwelling of unacceptable quality.
Eligibility	. Living in a squalid dwelling; . Spending more than 30% of income on rent; . Living in a dwelling unsuited to needs if handicapped.

Selection	. Applications received by municipal housing bureaus (MHB); . Selection of applications according to criteria established by a committee with representatives of the MHB, community socio-economic groups, and tenants.
Rent	. Corresponds to 25% of the total income of head of the household or, if applicable, of the highest income of an independent person. Workers are granted a 10% reduction of their employment income in computing their rent.
Financing	. Project development: 100% by SHQ . Operating deficit: - Met by municipalities; - 90% covered by Québec and Canadian governments.

LOGINOVE . Québec residential restoration assistance program

Administration	. Société d'habitation du Québec in collaboration with municipalities (to determine allowable work) and accredited lenders, among them the Desjardins group, Fiducie du Québec, Fiducie Morguard and the Caisses d'établissement du Québec (for financing of work).
Objectives	. To correct major defects of deteriorated dwellings to restore them to an acceptable level of habitability; . To maintain occupants in the dwellings concerned by respecting their means; . To preserve existing housing stock by efficiently meeting urgent restoration needs.
Special features	. Restricted to towns where the federal RRAP is in effect, except for rental housing cooperatives and non-profit organizations.
Eligibility	. Building with allowable defects in accordance with a list drawn up by the Société d'habitation du Québec; . Minimum cost of restoration work $4 000 per dwelling; . Commitment of owner to respect program conditions governing nature of work and agreement to be signed with tenants;

	. Applications submitted by housing cooperatives and NPO (not benefiting from federal aid under section 56.1 of the NHA) for conversion of buildings or reconstruction work in dwellings or rooming houses; . Buildings that have benefited from government aid for less than five years and subsidies of over $1 000 per dwelling are excluded from this program.
Allowable work	. Work essential for correcting defects; . Preventive work designed to prolong the life of the building. The cost of this work must not exceed 25% of the cost of essential work or an average of $2 000 per dwelling; . Special work to adapt a dwelling for a handicapped person.
Amount of subsidies	. Up to 90% of the allowable work (maximum of $15 500); . $4 000 more in the case of a dwelling for a handicapped person.
Calculation of subsidies	. For an owner-occupied dwelling, up to 75% of the cost of the work, depending on the household income; . For a dwelling occupied by a tenant, up to 90% of the cost of the work, depending on the net rent and number of rooms;For a vacant dwelling, a subsidy of 50%; . For a dwelling administered by a cooperative or NPO, up to 90% of the cost of the work.
Financing	. Québec government.
LOGIPOP	. Québec program of assistance to community housing
Administration	. Société d'habitation du Québec.
Objectives	. To foster the emergence of a housing sector owned and managed collectively by their occupants grouped in a non-profit organization (cooperative or corporation); . To promote the improvement of residential heritage and habitat quality; . To stimulate new construction.
Eligible dwellings	. Cooperative housing or housing managed by non-profit organizations: - Purchase-restoration of a multiple unit building or a rooming house;

	- Conversion of various buildings for residential purposes; - New construction of dwellings or rooming houses; - Simple acquisition of a dwelling, without restoration; . The project must reach a group of persons or families with modest means, or handicapped persons.
Technical aid offered	. Assistance provided by technical resources groups (GRT): - Adequate information on all legal, technical and financial aspects of creating a cooperative or non-profit housing project, and guidance by advisors for forming a corporation or training members, residential organization and management; - Technical assistance for carrying out the project: drawing up or checking plans and specifications, viability study, site supervision, etc.; - Advice for obtaining financing and subsidies from all levels of government, and a single service for cooperatives and NPO regarding Québec housing programs.
Financial aid granted to GRT	. Annual SHQ subsidy of $50 000 for GRT operations, plus $200 to $300 per dwelling and a bonus of $4 000 in the case of a regional mandate outside the Montréal and Québec urban communities.
Financial aid granted to and NPO	. Start-up subsidy of $500 if required to any group of persons wishing to form a cooperative or NPO; . Capital subsidy: - $3 000 per dwelling for any new construction, purchase-renovation or conversion project; - $2 000 per dwelling for simple acquisition project (maximum 20 dwellings); - $1 000 maximum per dwelling for any project financed under section 56.1 of the National Housing Act.
Additional aid for housing excluded from financing under section 56.1 of the National Housing Act	. Subsidies under the restoration assistance program LOGINOVE; . Maximum subisidy of $3 000 per dwelling and preferential interest rate for three years under CORVÉE-HABITATION; . Subsidies under the rent supplement program for the viability of the project;Financial aid from the . LOGIRENTE program for elderly persons occupying a dwelling not subsidized by the rent supplement program.
Financing	. Québec government.

LOGIRENTE . Québec housing allowance program for elderly persons

Administration . Société d'habitation du Québec.

Objective . To help senior citizens whose housing cost is high in relation to their income remain in the dwelling of their choice and improve their living conditions.

Beneficiaries . Tenants, roomers or owners 60 or over, whose housing cost is more than 30% of their total income from the previous year, and not benefiting from any governmental housing assistance.

Financial aid . The assistance, after deducting the amounts received from the property tax credit, corresponds to 75% of the rent in excess of 30% of the total income from the previous year, up to a maximum rent as shown below.

	Maximum allowable rent in 1983-1984
Roomers	$170 per month
Single persons	$235 per month
Couples	$250 per month

. The monthly cost of housing up to the maximum allowable is calculated as follows:

- For tenants
  - . the rent cost;
  - . $300 for heating if not included in rent;
  - . $180 for electricity if not included in rent;
  - . service taxes.
- For owners
  - . the cost of mortgage interest;
  - . $660 for heating and maintenance;
  - . the amount of school and municipal taxes;
  - . $180 for electricity.

Financing . Québec government.

HOAP . Québec Home Ownership Assistance Program

Administration . Société d'habitation du Québec.

Objectives . To help families find housing and lighten their housing costs;

	. To foster capital formation by the buyer of a dwelling; . To stimulate the construction industry; . To make possible better preservation of dwellings after their construction; . To contribute to revitalization of aging neighbourhoods.
Beneficiaries	. A person or his spouse, who has the status of Canadian citizen, a child under 12 (eligible for Québec family allowances),and has never owned a principal residence; . A person who has sold or abandoned a dwelling in the muncipality of Schefferville since November 1, 1982.
Eligible dwellings	. Those whose value as estimated by the lender is not over $60 000, including the value of land, and on which the mortgage to finance the purchase is at least: - $10 000 in the case of a new dwelling; - $6 000 in the case of an existing dwelling; - $4 000 in the case of a mobile home.
Other conditions	. Occupancy of the premises by the owner within 24 months of acquisition; . Obligation, in the case of mobile homes, of having the mortgage loan insured by a mortgage insurance company; . A dwelling that has been renovated or transformed before its acquisition may be considered a new dwelling for the purposes of this program.
Financial aid	. Subsidy consisting of interest rebate on part of the mortgage loan ($10 000 for a new dwelling, $6 000 for an existing one and $4 000 for a mobile home) for which the Québec government pays all the interest the first year, two-thirds the second and one-third the next three years, up to a maximum subsidy of $5 500 for a new dwelling, $3 300 for an existing one and $2 200 for a mobile home. . A capital reimbursement on the birth or adoption of a child: - $2 000 in the event of a second child; - $4 000 in the event of a third or subsequent child; . However, the capital reimbursement is limited to $10 000 for a new dwelling, $6 000 for an existing one and $4 000 for a mobile home. . Beneficiaries under this program are obliged to remain owners of their dwellings for a five-year period.
Financing	. Québec government.

PTC	. Québec property tax credit program
Administration	. Ministère du Revenu du Québec.
Objective	. To reduce part of the housing cost for low-income households by refunding part of the local taxes (municipal, real estate, service and school) pertaining to their dwelling.
Beneficiaires	. Owners and tenants, except tenants of public housing.
Refund	. Corresponds to 40% of the municipal and school taxes up to a maximum of $400, less 2% of basic income, which represents 90% of total household income less personal exemptions, age exemptions and exemptions for dependents recognized by the Taxation Act.
Financing	. Québec government.
RENT SUPPLEMENT	. Joint rental assistance program for certain categories of low-income persons
Administration	. Société d'habitation du Québec.
Objective	. Where the number of low-rental housing units does not entirely meet the need, to enable moderate or low-income households to obtain housing in the private sector.
Beneficiaries	. Households or persons with low or moderate incomes living in housing administered by a cooperative or non-profit organization; . Physically handicapped persons occupying a dwelling rented through a non-profit organization commissioned by the SHQ; . Tenants already subsidized in certain buildings sold by the Canada Mortgage and Housing Corporation.
Subsidy	. Up to 90% of the difference between the monthly rent charged by the owner and the contribution required from a household or person, as established by the Regulation respecting the leasing of low-rental housing.
Financing	. Shared-cost program, Québec and Canadian governments.

NON-PROFIT HOUSING	. Federal program of assistance to cooperative and non-profit housing (section 56.1)
Administration	. Canada Mortgage and Housing Corporation.
Objective	. To encourage production of affordable housing of types appropriate for low-income families and individuals.
Beneficiaries	. Low or moderate income families; . Elderly persons; . Particular groups of citizens such as handicapped persons.
Eligible dwellings	. Single-family or multi-family houses, homes and residences for special clienteles; . Construction or acquisition of buildings which may need alterations or repairs.
Aid for forming a cooperative or NPC	. Financial support in form of subsidy to groups of professionals offering their knowledge and services to cooperatives and NPC in the process of being formed (Community Resource Organization Program); . Start-up funds up to $75 000 granted to a group of persons, cooperative or NPC, to develop a project; this amount will beincluded in the total loan granted for financing the operation.
Eligible organizations	. Cooperatives offering dwellings to persons and families with varied incomes, as long as they reserve 15% of these dwellings for those who have low incomes. These cooperatives must have a majority of tenant members (51%); . Non-profit corporations (NPC) managing housing whose rent is established in terms of income.
Assistance for projects	. Loan guaranteed by the CMHC representing 100% of the loan value established by the CMHC for an amortization period of up to 35 years; . Annual assistance intended to reduce rent by a subsidy in form of interest rate reduction to a minimum of 2%, granted in two forms: - Economic rent aid, to reduce the rent to the lowest charged on the market, irrespective of income; - Aid proportional to income making possible an additional rent reduction for low-income occupants;

	. The maximum assistance (rate reduced to 2%) will remain constant for the duration of the operation in the event of fluctuations in mortgage interest rates. After three years there will be a 5% reduction in part of the economic rent aid to the benefit of the aid proportional to income.
Financing	. Government of Canada.
RRAP	. Federal Residential Rehabilitation Assistance Program
Administration	. Canada Mortgage and Housing Corporation.
Objectives	. To assist in rehabilitating dilapidated housing to a determined level of safety and hygiene; . To encourage preservation and maintenance of existing housing at an acceptable level by applying occupancy and maintenance standards; . To assist persons with low or modest incomes who live in run-down housing.
Eligible dwellings	. Buildings located in a zone designated by the program, except for initiatives designed to make a dwelling accessible to a handicapped occupant; . Dwellings that do not meet habitability standards and require major repairs (foundations, structure, electricity, plumbing, heating, insulation, etc.)
Other conditions	. Repairs must be carried out in accordance with the standards of the CMHC for rehabilitation of residential buildings; . The owner must agree with the CMHC on a rent scale, subject to annual examination by the CMHC in the case of rental buildings.
Financial aid	. To owner-occupant: - A maximum loan of $10 000, part not repayable, depending on income, up to $5 000; - A maximum loan of $13 000, part not repayable, depending on income, up to $6 500 for additional work to make the property accessible to a handicapped person; . To owner-lessor (including cooperatives and NPC): - A loan-subsidy equivalent to 50% of the cost of repairs up to $3 500 per dwelling; - A maximum loan-subsidy of $5 000 per dwelling for additional work to improve its accessibility for a handicapped person;

LEGISLATION AND ORDERS INSTITUTING PROGRAMS IN FORCE

Québec Programs

Program	Legislation	Order or revised regulation.
CORVÉE-HABITATION	Act to promote housing construction, Revised Statutes of Québec, chapter Ck-64.01.	Eligibility and registration conditions for the housing construction recovery program. CORVÉE-HABITATION, Order 2433-83 of November 23, 1983, as amended.
ÉQUERRE	Act respecting the Société d'habitation du Québec, Revised Statutes of Québec, chapter S-8.	Conditions for the Québec program to encourage home restoration (ÉQUERRE), Order 366-84 of February 15, 1984, as amended.
LRH	Idem	Regulation respecting a subsidized housing program, Revised Regulations of Québec, 1981, chapter S-8, regulation 8.
	Idem	By-law respecting the leasing of low-rental housing, Order 142-84 of January 18, 1984.
LOGINOVE	Idem	Regulation respecting residential restoration assistance (LOGINOVE), Revised Regulations of Québec, 1981, chapter S-8, regulation 1, as amended.
LOGIPOP	Idem	By-law respecting assistance for the development of low cost dwellings (cooperative and non-profit) (LOGIPOP), Order 2661-83 of December 21, 1983.
LOGIRENTE	Idem	Conditions respecting the housing allowance program for elderly persons, Order 1362-83 of June 22, 1983, as amended.
HOAP	Idem	Regulation respecting the Home Ownership Assistance Program, Revised Regulations of Québec,1981, chapter S-8, regulation 5, as amended.
PTC	Act respecting real estate tax refund, Revised Statutes of Québec, chapter R-20.1.	Regulation respecting the application of the Act respecting real estate tax refund, Revised Regulations of Québec, 1981, chapter R-20.1, as amended.

Rent supplement	Act respecting the Société d'habitation du Québec, Revised Statues of Québec, chapter S-8.	By-law respecting housing, Revised Regulations of Québec, 1981, chapter S-8, regulation 3, as amended.
Federal Programs		
Aid to non-profit cooperatives	National Housing Act, Revised Statutes of Canada, 1970, chapter N-10, as amended, section 56.1.	National Housing Loan Regulations, Codification of Regulations of Canada, 1978, chapter 1108, as amended.
Aid to non-profit housing organizations	Idem	Idem
RRAP	Idem, section 34.1	Idem and National Housing Loan Regulations, Codification of Regulations of Canada, 1978, chapter 1107, as amended.

ABBREVIATIONS AND ACRONYMS

AIQ
Association de l'immeuble du Québec

APCHQ
Association provinciale des constructeurs d'habitation du Québec

ARP
Assisted Rental Program

BEE
Bureau des économies d'énergie

BSQ
Bureau de la statistique du Québec

CHOSP
Canadian Home Ownership Stimulation Program

CHRP
Canadian Home Renovation Program

CLSC
Local community services centre

CMHC
Canada Mortgage and Housing Corporation

CPDQ
Conseil de planification et de développement du Québec

CRSP
Canadian Rental Supply Plan

CSCP
Community Services Contribution Program

ÉQUERRE
Québec program to encourage residential restoration

FCQ
Fédération de la construction du Québec

FTQ
Fédération des travailleurs du Québec

GPM
Graduated payment mortgage

GRT
Groupe de ressources techniques (technical resources group)

HOAP
Home Ownership Assistance Program

LOGELM
Low-rental housing program

LOGINOVE
Residential restoration assistance program

LOGIPOP
Community housing assistance program

LOGIRENTE
Housing allowance program for elderly persons

LRH
Low rental housing

MAM
Ministère des Affaires municipales

MAS
Ministère des Affaires sociales

MHB
Municipal housing bureau

MHPC
Ministère de l'Habitation et de la Protection du consommateur

MICC
Mortgage Insurance Company of Canada

MLS
Multiple Listing Service

MURB
Multiple Unit Residential Building

NBC
National Building Code

NHA
National Housing Act

NIP
Neighbourhood Improvement Program

NPC
Non-profit corporation

NPO
Non-profit organization

PTC
Property tax credit

RCM
Regional county muncipality

RECQ
Régie des entreprises de construction du Québec

RHOSP
Registered Home Ownership Savings Plan

RLQ
Régie du logement du Québec

RRAP
Residential Rehabilitation Assistance Program

RRSP
Registered Retirement Savings Plan

RSQ
Revised Statutes of Québec

SDC
Société de développement coopératif

SHQ
Société d'habitation du Québec

SUPRET
Employment income supplement

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Table 70 Housing assistance programs offered by the Québec government (current in 1984)

Graph I Housing supply and demand in Québec, 1951-1983

Graph II Percentage of households, by income bracket (1982), benefiting from at least one form of direct government assistance (including portion of social aid allocated to housing but excluding fiscal measures)